

## **HOUSING & HOMES OVERVIEW AND SCRUTINY COMMITTEE 20 FEBRUARY 2018**

### **UPDATE REPORT OF CABINET MEMBER FOR HOUSING & HOMES**

#### **REPORT BY: COUNCILLOR PETER GRIFFITHS**

#### **1. PURPOSE OF REPORT**

Following my report to Scrutiny in July 2017 setting out my portfolio priorities for 2017/18, this report seeks to provide an update on the progress made and emerging future issues.

#### **2. SUMMARY OF KEY PRIORITIES AND OTHER KEY PROGRAMMES**

The key priorities for my portfolio support the Council's future vision for the city: 'A City of growth where every child, citizen and place matters' with housing being one of four clear strategic priorities:

##### **Housing – a great place to live in**

- Provide housing in a range of types and tenures to meet the housing needs of all current and future citizens of Birmingham.
- Making the best use of our existing stock.
- Delivering through a range of partnerships to support a strong supply of new high quality homes in a mix of tenures.
- Supporting the people of Birmingham to access good quality housing provision.
- Working with our partners to reduce homelessness.

Performance against strategic priorities are set out in appendix 1

Other priority areas:

- Following our collaborative work in developing the Housing Birmingham Strategy, I will work with the partnership to enable more homes, of all tenures, to be built, to meet the housing needs of the city.
- Work with partners to finalise Birmingham's Homelessness Strategy, to ensure there is better prevention and support for residents who are at risk of becoming homeless.
- Work with resident organisations, HLBs and partners to develop a new shared understanding of neighbourhood and place, developing appropriate communication systems with tenants of all ages.
- Work with the West Midlands Mayor, Leader and others in developing a regional housing deal with the Government.

### **3. PROGRESS ON DELIVERING PRIORITIES**

#### **3.1 Develop a Housing Strategy**

The City's Housing Strategy 'Birmingham: A Great Place to Live' was approved by Cabinet on 25 July 2017. The strategy was developed following discussions with individuals and organisations with a stake in Birmingham's housing sector - registered providers, developers, private landlords, community interest groups, students, health colleagues, elected members, housing officers and citizens. It sets out the strategic direction for housing in the city, setting out an approach that means:

- A strong supply of new high quality homes;
- Citizens are able to find, access and sustain housing that meets their needs;
- Neighbourhoods are enhanced and the quality of existing housing is improved.

The delivery of the strategy is governed by the Housing Birmingham Partnership board who have delegated responsibility for the delivery of its priorities and governance.

There have been some positive outcomes over the last 12 months, but we know that the next 6 months will present a number of challenges in relation to housing. See update on progress against priorities in Appendix 2.

I will be working hard on behalf of the tenants and citizens of Birmingham to secure the best national housing policies including the proposed Housing Green Paper (due in the summer of 2018) and continuing to work with our partners across the City to successfully implement the Homelessness Reduction Act 2017 which comes into force on 3 April 2018.

This new legislation will require a fundamental change to the way we deliver our statutory services and how we commission prevention and advisory services in the future. A more detailed report follows later on today's agenda.

#### **3.2 Work with our partners to reduce homelessness**

The City's Homelessness Prevention Strategy, approved by Cabinet on 12 December and City Council on 8 January 2018 seeks to work towards our vision to eradicate homelessness in the city. It was developed in collaboration with our partners across Health, Criminal Justice, Housing sector, Voluntary and Third Sectors who are committed to its success.

The strategy has an emphasis on preventing people from becoming homeless in the first place and supporting those who find themselves as homeless, to build a more positive future in good health, sustainable accommodation and long term employment. It is based on the successful Positive Pathways model developed by St Basil's, for homeless individuals under 25.

We will continue to work in collaboration with local authorities across the West Midlands Combined Authority, the West Midlands Mayoral Taskforce, and our key partners.

The City's official rough sleeping figures were released by the Ministry of Housing, Communities and Local Government on 25 January. It revealed that during an evening count last Autumn there were 57 people sleeping rough in Birmingham. This is an increase of 3.6% from 2016's figure of 55. We do recognise that this count is a snapshot of the city's street homelessness problem on one particular night, but it does offer a year on year trend as a guide.

Rough sleeping is still on the increase (16% nationally) and we are keen to ensure that we are doing everything we can locally, regionally and nationally to tackle rough sleeping.

We are now working with MHCLG and the West Midlands Combined Authority on the details of the new Housing First pilot scheme which will be launched in April, subject to MHCLG timeframe. We are also developing the new Streetlink Birmingham app, in our drive to be a leading local authority in providing innovative solutions to rough sleeping.

### **3.4 Work with resident organisations, HLBs and partners to develop a new shared understanding of neighbourhood and place, developing appropriate communication systems with tenants of all ages**

We continue to support local HLBs and the City HLB in the co-regulation of services and performance and have recently presented proposals to CHLB on a review into the future transparency and governance arrangements, code of conduct and membership and officer responsibilities.

We will also be commencing a review of the current conditions of tenancy in May and will be working closely with CHLB through the consultation process on this.

To support involvement of all residents we continue to increase the numbers and role of high and low rise block champions across the city and also continuing resident estate walkabouts with tenants now providing quality ratings to inform required improvements to local neighbourhoods.

### **3.5 Work with the West Midlands Mayor, Leader and others in developing a regional housing deal with the Government**

We have met with the West Midlands Mayor and his new Director of Housing & Investment. We received progress on delivering a West Midlands Housing deal (Devo 2) and timetable for funding allocation programme. We were pleased to hear that following the agreement to fund the Wednesbury to Merry Hill metro line from other sources, the Commonwealth Games bid is now high on our list of WMCA schemes for infrastructure funding.

We chair and lead the work of the West Midlands Best use of Stock Partnership which brings together regional authorities and housing providers to focus on promote best practice, mobility and lettings policies.

### **3.6 Continue to work to mitigate the impact of welfare benefit changes to Birmingham residents, in particular the impending roll out of Universal Credit**

In June 2017, a number of council colleagues and external stakeholders were invited to come together to prepare Birmingham for the implementation of the full rollout of Universal Credit from November 2017. Thus, the Welfare Reform Task and Finish Group was formed and has continued to meet on a monthly basis. The original proposal was for the group to meet between July 2017 and March 2018. The group has met its objectives, which are set out below with outcomes:

- It has worked collaboratively across a number of agencies bringing together items of best practice, knowledge, capability, energy and enthusiasm to contribute to the objective. The meetings have been well attended with an open dialogue taking place. Ideas and suggestions have been jointly agreed in a collaborative spirit.
- Communications and briefings have been made to relevant to citizens, advice agencies, housing providers, landlords, and elected Members to inform of the changes associated with the introduction of UC. Individual organisations have supplemented DWP information and tailored this for their own needs. There has been open sharing of good practice where applicable.
- Relevant training has been implemented in readiness for the introduction of UC. This has taken place on a number of levels from DWP and by the Council. Partners have also undertaken their own training tailored to the needs of their organisations.
- The arrangements for both the personal budgeting and support and digital assistance services needed in preparation for the introduction of UC have been implemented and overseen by the group. Good links have been established locally between advice agencies, DWP and the Council.
- The group has received briefings from Job Centre Plus in relation to timelines, volumes and updates in relation to turnaround timescales for Birmingham. DWP have contributed fully to all the meetings – with a local and national presence.
- Collaboration has taken place with the work of the Financial Inclusion Partnership and the Child Poverty Action Group in relation to UC. Representatives of the group also have membership of the Financial Inclusion Partnership. There is a flow of information between the two groups.
- The group has worked collaboratively to align Birmingham City Council (and other) employment and skills support programmes/activities with support packages offered to UC citizens and those affected by the Benefit Cap. Activity is taking place outside the group on a number of forums to encourage citizens to enhance skills and take-up employment opportunities. Close working is in place between the Council, DWP and outside organisations.

The group has therefore been successful in meeting the majority of its desired outcomes. In terms of the future the group will consider which options will provide the best outcomes to support citizens as the rollout of full service UC continues in the City.

We continue to work with the CHLB Welfare Reform and Financial Inclusion tenants sub group and partners through the Financial Inclusion partnership to share understanding and target initiatives at tenants most impacted by welfare reforms, especially with the introduction of Universal Credit.

#### 4. UPDATE ON HOUSING PERFORMANCE/SERVICE IMPROVEMENTS

There are five Council Business Plan measures within my portfolio. I am pleased to report that all are on track:

- **Number of homes built that were 'affordable' homes (CBP)** - It was predicted that 298 new homes would be delivered in the first two quarters of 2017-18, however 348 new homes have been created using a number of funding regimes. The mix of new homes include a range of tenure and property types including 52 new build affordable rent units for the elderly and a further 33 affordable rent units for the elderly comprising of both new build and refurbished properties. The remaining new homes consist of 2,3 and 4 bedroom homes. NB This measure is reportable twice yearly, therefore the figure quoted covers the period April – September.
- **Minimise the number of households living in temporary accommodation per 1,000 households (CBP) – 5.2 per 1,000 households (January)** The number of households being admitted to temporary accommodation continues to exceed the number of households living in temporary accommodation and as such, the reported measure will continue to remain static or increase until such time that admissions reduce and the number of departures increases and therefore exceeds admissions. Steps are being taken to increase preventions at the time of approach and also to make amendments to the allocations scheme and delivery of this to try and increase move on from temporary accommodation. Nationally there has been a 60% increase in the number of households living in temporary accommodation. Whilst in Birmingham this is being accommodated within the existing allocated budget and we are converting some of our own stock for use as temporary accommodation, other Local Authorities are experiencing overspends in their budgets. It should be noted that the implementation of the Homelessness Reduction (HR) Act in April 2018 will see a further increase in the amount of homeless presentations in the first 6 months. When Wales implemented the HR Act, they experienced a 50% increase in demand and 15% increase in temporary accommodation.
- **Number of cases where homelessness is prevented or relieved (CBP) Monthly internal figure 243 (January) and MHCLG Quarter 3 figure is 2,623.**  
The large proportion of the city's prevention activities are undertaken by third party partners (St Basils, Trident, Let2Birmingham, Homeless Prevention Welfare Service (HPWS) Internally we now have a trailblazer team in preparation for the upcoming Homeless Reduction Act who are working in line with the new guidelines. The Trailblazer team are now reaching out to a larger numbers of households affected by potential homelessness and are having increased success in supporting those households in preventing the homelessness occurring.
- **Empty properties brought back into use (CBP)** – The team is ahead of the target of 250 empty properties brought back into use with a year to date total of 287 (up to and including January). Concerted effort is to reduce long term empty properties. This has been successful using enforcement powers on the worst eyesore properties throughout Birmingham.

- **Available Council Homes as a % of total stock (CBP)** – January's performance is at 99.5%. During the last 4 months (October 2017 through to January 2018) across the city, we have re-let 1,223 empty properties; this has had a positive impact on this indicator and performance remains above target reflecting the priority given to returning void properties into use.

There are nine key performance indicators relating to Housing which are as follows:

- **No. of properties improved in the Private Rented Sector (PRS) as a result of Local Authority intervention (KPI)** – In January the PRS team improved 59 properties which brings the year to date total to 346. The Council continues to work in partnership to improve standards in the private rented sector through education, encouragement and enforcement. The demands on the service are considerable and resources are under pressure to respond, however the aim is to continue to focus on effective enforcement through HMO licensing and targeted prosecutions which have continued this year. Overall the service will deliver on target the number of properties improved due to intervention. The team works in partnership with Police and Fire Service to tackle rogue landlords and have launched the Selective Licensing consultation in two target wards in 2017 which will be considered in February/March 2018. The Council is awaiting the outcome of a Controlling Migration Fund bid to Government which may bring additional resources to tackle rogue and criminal landlords over the next 2 years.
- **We will respond to council housing emergency repairs within 2 hours (KPI)**  
Performance for December is below target the target of 98.1% but within tolerance at 97.2%. The percentage of jobs responded to within 2 hours still reflects excellent performance and commitment on the part of our contractors.
- **We will resolve council housing routine repairs within 30 days (KPI)**  
Performance for December remains well above target at 97.3%.
- **Percentage of Right to Repair jobs completed on time (KPI)** Performance for December has remained above target at 93.5% and represents strong commitment and achievement from our contractors.
- **Percentage of gas servicing completed against period profile (KPI)** Performance for December remains above target at 99.7% demonstrating the continued commitment to ensuring our tenants' health and safety in their homes.
- **Average days taken to turn around a void (KPI)**. This KPI is reported as 2 elements. NB void performance directly links into the CBP of Available Council Homes as a % of total stock which is separately reported above.
  - **Excluding void sheltered properties, the average days taken to turnaround a void in January was 34.27 days.** During January a total of 229 empty properties were re-let across the city.
  - **Void sheltered properties, average days taken to turnaround a void in January was 143.74 days.** There were 50 sheltered voids re-let across the

city. The lack of demand for Sheltered accommodation represents a significant risk to performance and the voids team is working very closely with a number of other teams across the city including the Housing Options Centre (H.O.C) and Temporary Accommodation to generate interest and stimulate demand for lower demand accommodation.

- **Percentage of rent collected (KPI)** – The percentage of rent collected is 98.46%, the target for this period was 93.50% and the Rent Service has exceeded collection by 4.96%. The annual target is set at 94.50% which we are on track to achieve.
- **Total number of current tenants in rent arrears (KPI)** There are 18,865 current tenants in rent arrears in January; there has been a reduction of 1.27% compared to the start of the financial year (18,507).
- **Current rent arrears (KPI)** Rent arrears are currently at £13,605,916 for January; the rent service target was set at £14,500,000 for this month and therefore they are currently on track to achieve the annual target which was set at £13,600,000.

## 5. UPDATE ON KEY BUDGET ISSUES/KEY FUTURE BUDGET ISSUES

I am responsible as the Cabinet Member for the financial management of the Council's resources in the delivery of private and public sector housing and services for homeless people. A summary of the revenue and capital resources for 2017/18 are set out below:

- a gross expenditure of £282m funded by equivalent income of £282 for the delivery of council housing (the expenditure includes repairs and estate services)
- a net budget of £5m (gross expenditure of £21m offset by income of £16m) for the delivery of services for homeless people (including housing options advice and temporary accommodation)
- a gross expenditure budget of £3m ( offset by equivalent income) for the delivery of private sector housing (including HMO licensing and empty homes)
- a capital investment budget of £176m for the building of new social/affordable housing, replacement of major property elements such as central heating, windows, re-wires, kitchens and bathrooms in council homes, new market rented homes and the provision of new purpose built accommodation for homeless families.

I am projecting a balanced HRA outturn for 2017/18, in addition to a balanced revenue budget for private sector housing and homeless services (in other words all the services will be delivered within the approved cash limits and there will be no overspends). This despite the enormous pressures on the services following the introduction of new national policies and legislation including the national rent reduction policy of -1% until 2019/20, Welfare Reforms through universal credit, the Housing and Planning Act 2016 and the Homelessness Reduction Act 2017.

I am expecting that overwhelming majority of the capital budget will be spent in 2017/18 and inevitably there will be some delays in some projects as the works are complex and will require extensive engagement and consultation with local residents. Any resources

that are not utilised will be carried forward into 2018/19 to complete the projects that have been commenced.

Looking forward to the medium term over the next 3 years, it is likely that public finances will continue to be under pressure (as set out in the Council's Public Budget Consultation launched in December 2017 and the Budget that will be reported to City Council in February 2018).

The resources set aside for the homeless service have been protected over the next two years to ensure that the Council uses the resources cost effectively and to reduce the reliance on bed and breakfast. In addition, the extension of selective licensing for homes in multiple occupation will generate some additional income from 2018/19 onwards.

The investment in council housing is estimated at £367m from 2018/19 to 2020/21 and most importantly, this will include a programme of £31m for the installation of new fire protection and sprinkler systems in our tower blocks.

The three Party leaders of this Council are united in the call for Government to share the financial burden to carry out this work, to safeguard and reassure thousands of tenants across Birmingham. We look forward to a response from the Prime Minister.

I will also try to maximise our share from recently announced national programmes, such as the £2 billion for Affordable Housing and the additional £1 billion of HRA borrowing headroom.

Councillor Peter Griffiths  
Cabinet Member for Housing and Homes