



**ECONOMIC REGENERATION AND TRANSPORT SCRUTINY PANEL
FINAL REPORT –
SOCIAL HOUSING**

PURPOSE OF THE REPORT

1. To present the findings of the Economic Regeneration and Transport Scrutiny Panel's review of Social Housing.

AIM OF THE SCRUTINY INVESTIGATION

2. The overall aim of the Scrutiny investigation was to gain an understanding of the make up of Middlesbrough's overall housing market and to examine the desired mix of housing for the town. Members wanted to consider specifically the current level of demand for social housing compared with private sector housing and to assess whether there are sufficient properties to meet that demand. Members were also keen to find out whether there is an imbalance of housing within the town and whether this is in favour of social housing.
3. Following an initial 'setting the scene' presentation given by the Department of Regeneration the panel decided to consider a number of other areas, as part of this review. The areas selected by the panel are highlighted in the terms of reference set out below.

TERMS OF REFERENCE OF THE SCRUTINY INVESTIGATION

4. The terms of reference for the Scrutiny investigation were as follows: -
 - (a) To assess the impact, welfare and availability of social housing on tenants of Middlesbrough following the stock transfer of homes to Erimus in 2004
 - (b) To gain an understanding of how social housing is currently provided in Middlesbrough and to establish the level of demand and availability

- (c) To examine the potential impact of the proposed cuts in housing benefit on Middlesbrough tenants coupled with reductions in the funding used to provide homelessness prevention services
 - (d) To consider how applicants for social housing are prioritised and subsequently allocated vacant properties within Middlesbrough
 - (e) To consider the work being undertaken by the Council and its partners to increase the supply of affordable housing, with specific regard to meeting the needs of an ageing population
5. Members of the Panel met formally between 26 July 2010 and 28 February 2011 to discuss/receive evidence relating to this investigation and a detailed record of the topics discussed at those meetings are available from the Committee Management System (COMMIS), accessible via the Council's website.
6. A brief summary of the methods of investigation are outlined below: -
- (a) Detailed officer presentations supplemented by verbal evidence
 - (b) Evidence received from the Group Director of Operations at Fabrick Housing Group, the Chief Executive at Erimus Housing and the Head of Housing at Endeavour Housing Association
 - (c) A roundtable discussion with the Executive Member for Resources, the Director of Services at My Sisters Place, the Homeless Manager at Erimus Housing and Support Manger at Community Campus
 - (d) Evidence received from the Head of Area South at the Homes and Communities Agency
7. The report has been compiled on the basis of this evidence and other background information listed at the end of the report.

MEMBERSHIP OF THE PANEL

8. The membership of the Panel was as detailed below: -

Councillor J G Cole (Chair), Councillor B Taylor (Vice Chair), Councillors S E Bloundele, P Khan, Lowes, J McTigue, J Michna, H Rehman and G Rogers

TO ASSESS THE IMPACT, WELFARE AND AVAILABILITY OF SOCIAL HOUSING ON TENANTS OF MIDDLESBROUGH FOLLOWING THE STOCK TRANSFER OF HOMES TO ERIMUS HOUSING IN 2004

11. Prior to commencing the review Members advised that they were particularly keen to gain an overview of what the housing stock transfer involved, the progress that has been made to date against the Transfer Agreement targets, whether there had been any changes to the Agreement and what challenges Erimus has faced. The Panel was also interested in hearing Erimus' view on the progress made, as well as the key challenges facing Erimus in the near future.

12. In accordance with the above, the Managing Director of Erimus Housing and the Strategic Housing Services Manager from Middlesbrough Council were invited to attend a meeting of the Panel to provide Members with this information.
13. The Panel was advised that following extensive consultation and a ballot of all tenants, Middlesbrough Council transferred its stock of almost 12,000 dwellings on the 15 November 2004. At the time of transfer, tenants received a formal offer of works and service improvements, referred to as the 75 promises, to be completed over the first five years of the Transfer Agreement.
14. In terms of the progress made to date it was advised that 2009/10 had marked a significant year for Erimus, as it marked the successful delivery of all 75 of the original transfer promises to tenants. It was noted that there had been a number of key successes and these were highlighted as follows:-
 - a) implementing a major investment programme totalling £150m in repairs, modernisation and estate improvements to provide 3,700 new bathrooms, 7,300 new kitchens, 8,300 homes rewired and 6,300 new heating systems to achieve the Decent Homes Standard;
 - b) 1,000 unpopular and outdated properties have been demolished to date;
 - c) 300 new homes completed or in programme, representing a further £31.5m investment;
 - d) multi-million regeneration schemes at Hemlington and Grove Hill;
 - e) the successful delivery of the Council's Homelessness service providing top quartile performance from a town centre base (Homechoice);
 - f) launch of the Sub-Regional Choice Based Lettings scheme (Compass) in July 2009, advertising properties of neighbouring local authorities, Registered Social Landlords (RSL) and a number of private landlords on a weekly basis;
 - g) a nationally recognised Resident Involvement Framework;
 - h) a range of enhanced customer services such as the Disabled Persons Housing Service, Tenants' Reward Scheme, Tandem (a money advice service) and a dedicated Anti-Social Behaviour team;
 - i) 220 training places, apprentices and training opportunities created;
 - j) a range of community investment initiatives, including Peer Kids, a scheme that engages primary school children in caring for their area;
 - k) new business opportunities in Stockton; and,
 - l) the formation of the successful Fabrick Group structure.
15. It was noted by the panel that at the point of transfer 59.5% of properties were non decent and the Council's programme for repairs and improvements had been in the region of around £5.8 million per year. As of March 2010 all properties had achieved the Decent Homes Standard and approximately £10 million per year has been invested in repairs and improvements. It was stated that a rolling programme of works would be undertaken to maintain properties to their current standard and a copy of Erimus Housing Investment Plan for April 2010 – March 2011 was provided.
16. The Managing Director of Erimus advised that customer satisfaction levels are high. The following table highlights the level of improvement in customer satisfaction following the Stock Transfer;

Results of survey on satisfaction of service improvements

Survey results	MBC 2000	ERMIUS 2009
Satisfaction with home	85.6%	91.1%
Satisfaction with overall housing service	78.5%	88.7%
Does rent represent good value for money	74.4%	88.7%
Satisfaction with repairs	78%	82.8%
Satisfaction with staff attitude	91%	95.8%

17. It was noted that Erimus has continued to make progress with major development and regeneration schemes, including the handover of 94 new mixed tenure units at Newport and 20 at Netherfields.
18. Reference was made to the multi-million regeneration schemes at Hemlington and Grove Hill and Members queried the progress made to date in relation to these schemes. The Panel was advised that a decision to demolish 250 properties in Grove Hill had been taken by the Erimus Board and that Erimus had plans to demolish a further 350 properties at Grove Hill in the future. It was intended to build 750 properties and a new community facility, as part of a 10 – 15 year regeneration programme.
19. In response to a query from Members in relation to the current level of demand for social housing the Panel was advised that at present there are approximately 5000 people in Middlesbrough on the housing waiting list.
20. Reference was made to the adaptation service provided by Erimus and it was advised that the Transfer Agreement required Erimus, where possible, to include approved adaptations within any planned maintenance programme to a specified budget of between £400k and £520k per annum up to March 2014. Any work not part of the planned maintenance programme would potentially be the subject of a DFG application to the Council. It was advised, however, that Erimus has provided an adaptation service to clients, directly funded. As of March 2010 the total spend on adaptations by Erimus was approximately £3.103m (excluding administration costs). From April 2014, the Transfer agreement returns responsibility for adaptations to the Council to facilitate through its adaptations and Disabled Facilities Grants Budget.
21. In the report to Executive on 12 October 2010 entitled 'Erimus Annual Report and progress since Stock Transfer' it is highlighted that owing to demographic changes it is anticipated that there will be an increase in the demand for adaptations, pressures on waiting times and significant budget pressures in the future. The report notes that the Council is currently working with Erimus to establish a protocol that would build adaptations expenditure into the organisation's future business plans.
22. Reference was made to the challenges faced by Erimus in fulfilling the Transfer Agreement and the Panel was informed that in 2004 Erimus took over a high cost and, in many areas, low performing business. The stock was in need of extensive investment and a number of properties were unpopular and had been empty for significant periods. Erimus has addressed these challenges and is now a high performing business. It was noted that the move to form the Fabrick Housing Group with Tees Valley Housing in 2008 has enabled better efficiencies and shared services

across the Group. It was stated that as a result Erimus is in a position of strength, which will be important in tackling future challenges.

23. Reference was made to the Homelessness and Housing Advice service (Homechoice) delivered by Erimus and it was noted that owing to the success of the service the Council has been placed in the top performance quartile in the country for the low number of accepted homeless cases. The Panel was advised that in 2009/10 only 8 households were accepted as homeless in Middlesbrough. It was acknowledged that the low number was as a result of the good preventative measures in place, such as the use of private landlords schemes and mediation services. It was advised that should grant funding for these programmes be reduced there would be an increased cost to the Council in terms of bed and breakfast, temporary accommodation and furniture storage.
24. The Panel is aware that the Service Level Agreement for the provision of the Homelessness and Housing Advice service between the Council and Erimus ended in March 2008, with the option to continue year on year unless either party wished to terminate by giving 12 months notice. To date, both parties have confirmed their intention to continue the partnership. The Panel notes, however, that there have been discussions around the cost of the homelessness service and there is a need to establish a more up to date service contract that better reflects the service provided.
25. In terms of the challenges that Erimus will face in the future it was advised that these relate primarily to the following areas;
- a) Cuts to housing capital programmes have put funding for existing and future regeneration programmes at risk
 - b) There will need to be a move towards the provision of more intermediate products to help people access home ownership, rather than just affordable rent
 - c) Changing demographics means that there will be greater demand for housing for older people, which is at present in short supply within the town
 - d) The demand for adapted housing continues to remain strong
 - e) Grant funding for homelessness prevention services are at risk and a reduction in these services could lead to an increase in homelessness applications
 - f) Cuts in housing benefit will impact directly on Middlesbrough tenants
26. Members commented on the real success of the Stock Transfer to Erimus and it was acknowledged that as a result of the transfer the housing stock has been subject to extensive investment. The Panel expressed the view that residents have also been given the opportunity to be actively involved in decisions regarding refurbishment and regeneration. Members also commented on the reduction of complaints they had received from residents with regard to housing issues since the Stock Transfer. The panel was of the view that the success of the Stock Transfer and the excellent work undertaken by Erimus and officers of the Council deserved to be widely acknowledged.

TO GAIN AN UNDERSTANDING OF HOW SOCIAL HOUSING IS CURRENTLY PROVIDED IN MIDDLESBROUGH AND TO ESTABLISH THE LEVEL OF DEMAND AND AVAILABILITY

27. Following the information received from the Managing Director of Erimus Housing in respect of the level of demand for social housing in Middlesbrough the panel wished to gain an insight into the overall composition of Middlesbrough's housing market and the

level of demand / availability of social housing within the town. Members were also keen to hear from another provider of social housing and the Head of Housing at Endeavour Housing Association was invited to attend a meeting of the panel.

28. At 1st April 2010, Middlesbrough had a total stock of 60,356 housing units, comprising of the following:-

TENURE	NUMBER OF UNITS
Registered Social Landlord (RSL)	14829
Owner Occupation	37854
Private Rented Sector	7673
TOTAL	60356 *

* Figure taken from the Housing Strategic Statistical Appendix

29. It was advised that 20 RSL partners hold the 14,829 properties in Middlesbrough and a list of the RSL providers was submitted, with details of the total stock for each provider. A copy is attached at Appendix 1.

30. When comparing the provision of social housing in Middlesbrough with the sub-regional and national averages the figures are as follows:-

TENURE	PERCENTAGE OF TENURE IN MIDDLESBROUGH	PERCENTAGE OF TENURE IN THE TEES VALLEY	PERCENTAGE OF TENURE NATIONALLY
Registered Social Landlord	24.5	24	19
Owner Occupation	62.5	67	68

31. Despite the higher than average provision of social housing in Middlesbrough the Tees Valley Strategic Housing Market Assessment (TVHMA) (January 2009), which examined the level of social and private stock across the Tees Valley confirmed that affordable housing, which includes social rented, is still in demand. The assessment identified an estimated net shortfall in provision of 2,244 affordable homes per year across the Tees Valley, with a 506 per annum net shortfall for Middlesbrough. It is important to note that the assessed TVHMA shortfall in affordable housing is more than the total number of homes built annually within the town.

32. Prior to the Coalition Government scrapping the National Indicator set NI155 was used to measure the delivery of affordable homes (gross). In the period 2006/07 to 2009/10 the number of new affordable homes delivered in Middlesbrough exceeded 650. A further 170 new affordable homes are planned for 2010/11, with 271 in the pipeline from 2011 onwards. It has been confirmed that at the end of the third quarter for 2010/11 125 new affordable homes have been delivered.

	2006/07	2007/08	2008/9	2009/10	2010/11	2011>
Social Rent	92	127	23	133	111	161
New Build Home Buy	17	27	4	33	12	40
Intermediate Rent	0	0	0	10	47	0
Home Buy Direct	0	0	0	31	0	70
Total	109	154	27	207*	170	271

*2009/10 figure for NI155 return was 182. The 207 figure includes all Wellington Street Hostel (Stages Academy) units as one.

33. Clarification was sought on the difference between social and affordable housing. It was advised that affordable housing¹ includes both social rented and intermediate housing and should:

- a) meet the needs of eligible households by being available at a cost low enough for them to afford (determined with regards to local incomes and local house prices); and,
- b) include the provision for the home to be retained as affordable for future eligible households; or,
- c) if (b) ceases to apply, that any subsidy should be recycled for alternative affordable housing provision.

Social rented housing is rented housing owned and managed by the local authority, or Registered Social Landlord (RSL), for which guideline target rents are determined through the national rent regime. It may also include rented housing owned or managed by other persons, and provided under equivalent rental arrangements to the above, as agreed with the local authority, or with the Homes and Community Agency as a condition of grant.

Intermediate affordable housing is housing at prices and rents above those of social rent but below market prices, or rents, and which meet the criteria set above. These can include shared equity (e.g. Homebuy) and other low cost homes for sale and intermediate rent.

34. The Panel was interested to find out how affordable housing is funded and what priority is given to ensuring that affordable housing is delivered. It was advised that the Council works in partnership with RSLs and private developers to build affordable housing, which can be funded through the Homes and Communities Agency, the National Affordable Housing Programme (NAHP) grant from central government or more recently the Local Authority New Build programme; RSLs own resources; or by private developers' contributions through the planning process.

35. It was emphasised that the drive for public sector efficiencies and increasing competition for resources means that local authorities, including Middlesbrough, are expected to play their part by offering land at either below market value or for free to contribute to the delivery of affordable housing developments. In 2009-10, out of 334 dwellings built in Middlesbrough, 182 were deemed affordable.

36. The Panel heard that in recent years funding has been received for not only general needs affordable housing but also specialist provision such as: the redevelopment of Wellington Street Hostel for the homeless; the women's refuge at Rainham Close; older people's units and extra care provision at Levick House and Pennyman House, North Ormesby; and, the Metz Bridge site for Gypsy and Travellers, (funded through Gypsy and Traveller Site Grant).

37. It was noted that Central and Local Government have placed a strong emphasis on developing mixed tenure within communities while moving away from large social housing estates that identify with unemployment, poor educational attainment and deprivation.

¹ Affordable housing definition taken from Homes and Communities Agency (HCA) website

38. The Panel was informed that a number of RSL's within the town have a variety of intermediate affordable housing products available including shared equity and shared ownership schemes. The Head of Housing at Endeavour Housing Association advised that Endeavour has recently extended their business to work with some of the new housing market products.
39. Endeavour has been working on the new West Lane development and has a mix of properties for social rent, as well as Intermediate Market Rented properties i.e. where the tenant will rent on an interim basis before purchasing the property on a shared ownership basis or own outright. It was advised that the properties for social rent have proved to be a great success where demand has far exceeded supply. The IMR products have initially been proving more difficult to let. Efforts have, however, been made to generate interest through increased advertising and marketing.
40. Having heard how affordable housing is delivered in partnership with the RSL's the Panel was interested to find out about how contributions are made by private developers through the planning process. It was advised that affordable housing provision is secured through a section 106 agreement, a legal agreement between the developer and the Council.
41. The Panel was informed that Middlesbrough's Local Development Framework (LDF) stipulates 10 - 15% affordable units on sites allocated for housing development. It was noted, however, that the authority must consider carefully any requirements it imposes for the provision of affordable housing, as it could deter developers from developing within the town.
42. The Principal Planning Officer was in attendance at the meeting to update Members on the current position in respect of the Affordable Housing Supplementary Planning Document (SPD). It was highlighted to Members that the Affordable Housing SPD sets out the level of affordable housing that will be sought on unallocated housing proposals on a ward by ward basis. This ranges from 10 to 15%. A table setting out the targets identified for each ward was provided and a copy of the table is attached at Appendix 2.
43. The Affordable Housing SPD was due to be considered for approval by the Executive Member for Regeneration and Economic Development and a draft copy of the SPD was provided to the Panel. The Panel agreed to note the submission of the final draft and requested that any amendments to the document be reported back to the Panel following submission to the Executive Member. The Panel notes that the SPD was adopted without amendments in September 2010.
44. The panel queried to date how many affordable homes have been delivered in Middlesbrough through section 106 agreements with private developers. It was advised that since 2006/07 a total of 10 affordable homes have been delivered in Middlesbrough through section 106 agreements.
45. Following consideration of the level of supply of social housing within the town the Panel wished to gain an insight into the current level of demand. Reference was made to Compass, the sub regional Choice Based Lettings (CBL) scheme through which residents of the Tees Valley can apply for social housing. It was advised that at 30 June 2010, there were 32,411 applicants registered on the scheme from across the

Tees Valley with 15,975 being active applicants. Middlesbrough had 8,121 applications with 4,324 being active.

46. Being an active applicant means that the application has been received, details of household and housing history have been verified and the applicant is able to place a bid on the system. It was stated that although this appears to be a high number of people seeking accommodation, only 13.5% (583) were deemed to be in urgent or high housing need.
47. With regard to the length of time people wait to access social housing it was explained that this can depend on a number of factors and not all applicants bid on a weekly basis. Some applicants view the properties available each week and may not find accommodation that meets their household needs, in terms of size, or location. The banding allocated reflects the urgency of household need and priority is given to bids from households in Bands 1 and 2. At the end of June 2010, Middlesbrough had 248 households actively seeking accommodation in Band 1 (urgent housing need) and 335 in Band 2 (high housing need).
48. The panel was interested to learn how Middlesbrough compares with neighbouring authorities in terms of the level of demand and availability of social housing. The information provided below compares CBL scheme activity across the five local authorities in the Tees Valley.

Comparison of Compass data for local authorities within Tees Valley (April to June 2010)

	M'brough	H'pool	Stockton	Redcar and Cleveland	D'ton	Total
Applications received	8,121	5,217	7,927	6,515	4,631	32,411
Applications active	4,324	2,530	3,878	3,197	2,046	15,975
Active households in Band 1	248	125	322	255	196	1,146
Active households in Band 2	335	394	417	501	265	1,912
Lettings	118	91	142	151	109	611
Transfers (moved into L.A. area)	30	16	26	35	28	135

49. In terms of the availability of properties and lettings performance, the number of applicants housed across the Tees Valley between April and June 2010 was 611.
50. In Middlesbrough the figure of 4,324 active applicants in the period April to June 2010, with 583 of those deemed to be in urgent or high housing need, against the total number of lettings at 118 gives a stark indication of how high the level of demand for social housing is within the town and the degree to which demand exceeds supply. A

similar picture is evident across the Tees Valley and is undoubtedly reflected at a national level.

51. It was explained that the Council also looks to the private rented sector to assist in providing housing for those in need. A number of initiatives have been introduced including the Rent Bond Guarantee Scheme and Private Sector Leasing. It was acknowledged, however, that the Council is in a position where demand for social housing is far greater than the supply of housing available. This is due to a number of factors including the difficulty people are facing in accessing mortgages and the number of people requiring re-housing within the town, as a result of regeneration schemes.

FUNDING FOR SOCIAL / AFFORDABLE HOUSING

52. Given the difficulties presented above the panel was interested to find out more about the funding arrangements for the development of social / affordable housing. The panel requested information from the Homes and Communities Agency (HCA) and the Head of Area South at the HCA was invited to attend a meeting of the panel.

53. The panel was informed that the HCA is the national housing and regeneration agency for England. It was formed on 1 December 2008 through the merger of English Partnerships and the Housing Corporation. The HCA has been subject to the national public body review and although it is to be retained it will be a smaller organisation.

54. It was highlighted that the functions of the HCA involve the provision of funding to improve the supply and quality of housing, securing the regeneration or development of land or infrastructure, supporting in other ways the creation, regeneration or development of communities and contributing to the achievement of sustainable development and good design.

55. It was noted that in the period 2008 – 2011, the HCA has invested nationally, a total of £8.4bn in affordable housing through the National Affordable Housing Programme (NAHP). The aim of the NAHP is to increase the supply of homes available for low cost home ownership and social rent. During that period Middlesbrough has received funding of £17.5m through the NAHP and this had helped to fund the development of 487 homes. A further £7.5m had been committed for the development of 133 homes, which are currently in the pipeline. In total £24.5m of funding has been awarded by the HCA to Middlesbrough projects resulting in the creation of 620 homes.

56. It was highlighted that a £583,000 grant was also awarded to increase the number of Gypsy and Traveller pitches at the Metz Bridge site. A further £17.8 million from the HCA's property and regeneration budget has also been invested in bringing land back into use at Middlehaven and other land holdings within the area.

57. The Head of Area South at the HCA advised the panel that it was too early to estimate the impact that the proposed Government cuts would have on the HCA. It was, however, anticipated that in the future the HCA would have fewer funding streams but greater flexibility. The HCA expected that it would have a new enabling role to use assets and land in a better way but it was acknowledged that there were difficult times ahead.

58. The panel was advised that the HCA is currently working with Tees Valley Unlimited to establish a Joint Investment Plan to identify priorities and determine future funding for the sub region. It was advised that through the Local Investment Plan local authorities would need to develop alternative funding arrangements for the development of affordable housing, such as through the New Homes Bonus Scheme. Under the scheme, the Government will make payments matching the first six years worth of council tax payments for qualifying new housing developments. The council is then free to do what it wishes with those monies.

59. Other alternative funding options for the future development of affordable housing include the use of land and assets to achieve lower grant rates and the use of planning powers through section 106 agreements. The Council can also use cross subsidy funding, for example, by using the receipt of the sale of land from one part of the town to develop a site in another part of the town. The panel was advised that the Council would be considering strategically what sites it could put forward for housing development following the approval of the Local Investment Plan. The Plan was due to be considered by the Tees Valley Unlimited Board in November 2010.

60. The outcome of the Comprehensive Spending Review was not known at the time that this initial evidence was considered. The Head of Area South therefore attended a further meeting of the Panel to advise on the impact that the CSR settlement would have on the future delivery of affordable homes in Middlesbrough.

61. Outlined below are a number of the key changes with regard to the future delivery of social housing, which have resulted from the CSR announcement:-

- A 60% cut in the capital budget for affordable housing down from £8.4 billion over the previous 3 year period to £4.5 billion over the next four years
- Tenants moving into social rented homes may no longer be guaranteed a home for life and may be given fixed term contracts including the requirement to pay higher rents (80% market value)
- The Government believes that the above change will free up funds to build 150,000 new affordable homes in England between 2011 and 2015 – equivalent to 37,500 per year. This compares to the 53,730 provided in 2007/08 – a 30% reduction in affordable housing output
- £100 million will be earmarked for tackling empty homes, through the National Affordable Housing Programme
- A New Homes Bonus Scheme (NHBS) will be introduced from April 2011 to reward local authorities for supporting housing growth by matching the additional Council Tax from every new home for each of the following six years

62. In respect of the New Homes Bonus the final scheme design was published on 17 February 2011. A number of the key points from the document are outlined below:-

- The New Homes Bonus is designed to create an effective fiscal incentive to encourage local authorities to facilitate housing growth.
- The unringfenced grant funding will be equal to the national average for the Council Tax Band on each additional property. Currently the amount of grant relating to an additional council tax band D property will be about £1,439 per annum or £8,634 over six years.

- There will be a simple and transparent enhancement of a flat rate £350 per annum for each additional affordable home. Over six years an affordable home would receive an enhancement of £2,100 in addition to the Council tax element.
- Affordable homes also include pitches on traveller sites owned and managed by local authorities or registered social landlords.
- Empty homes that are returned to use will qualify for the Council Tax element of the New Homes Bonus.
- Local authorities will have flexibility on how to spend the unringfenced grant.
- Local authorities may choose to pool some New Homes Bonus at the level of the Local Enterprise Partnership

63. The Head of Area South at the HCA advised that the HCA has recently published its 2011-2015 Affordable Homes Programme – Framework, which sets out the information required by providers on how they can submit an offer to be included in four year Affordable Homes Programme. It was noted that bids for consideration must be submitted to the HCA by 3 May 2011. It was advised that although £4.5 billion has been made available nationally for the delivery of affordable homes over the next four year period £2.3 billion of that funding is already committed to affordable homes that are currently in the pipeline, in the 2010/11 and 2011/12 period.

64. The panel was informed that the new Affordable Housing Programme is effectively based around significantly lower grant rates and the introduction of higher market rents (80% of the market rent), termed an affordable rent, which will be used to fund future affordable housing. It was explained that in terms of maximising the future delivery of new affordable homes increasing the supply of housing for social rent would very much be on an exception basis. It was acknowledged by the HCA that this is a radical change in the way social housing is funded, although the new model does offer increased flexibility for providers and partners to bring other assets to the table, in order to facilitate the delivery of new affordable homes.

65. The panel heard that the new framework model would require close collaborative working between the HCA, RSL's and the Council. The Local Investment Plans, which are being co-ordinated by Tees Valley Unlimited, are particularly important in this process, as they contain the town's priorities. It was noted that the bids for submission by providers are 4-year bids and it was advised that the majority of providers already have schemes in the pipeline for the next two years. Providers are therefore being asked to bid on an indicative number of tenure types that they will be in a position to deliver over the 2013-14 to 2014-15 period.

66. It was advised that the main elements of the new affordable rent programme involves the introduction of an affordable rent rate at 80% of the market rent, for a minimum 2-year fixed term period and for the proceeds to be invested in the provision of affordable housing. It was noted, however, that one of the difficulties for housing providers in the North East is that when comparing rent rates for all forms of tenure including affordable, social and private rent rates are in general lower in the North East than elsewhere in the UK. This means that there is less of a difference between social rent rates and the new affordable rent rates, which effectively reduces the proceeds available for providers to invest in the future development of new affordable homes.

67. It was noted that another way in which housing providers will be able to increase funding and borrowing capacity is through the conversion of existing stock to affordable rent. In addition providers will be able to use existing sources of cross subsidy,

recycled capital grant funding, as well as being able to access some HCA funding where required for development to be viable. It was emphasised, however, that the HCA will be looking for providers to bring land and assets to support the Affordable Housing Programme, which could include free or discounted local authority land and local authority contributions, for example the New Homes Bonus. Other HCA funding streams will include mortgage rescue, traveller pitch funding and proposals to bring empty homes back into use. Fixed amounts of HCA funding will be available within the Affordable Homes Programme and registered providers will need to bid for that funding as part of their wider bid for Affordable Housing.

68. The role of the local authority will be to articulate a clear vision for the area, which is happening through the Tees Valley Unlimited Investment Plan. The HCA aims to support local authority priorities and once bids to the Affordable Homes Programme have been received by the HCA a negotiation process will take place. It is anticipated that the HCA Board will approve initial contracts with housing providers in July 2011 and the HCA will then oversee the delivery of the 4-year Affordable Homes Programme. The HCA will also play a key role in brokering and enabling relationships between providers and local authorities, in order to secure best value in agreeing the initial programme. It was explained that the other big change is that the HCA will now pay the grant to providers upon the completion of affordable homes.

69. Reference was made to the £2.3 billion National Affordable Housing Programme funding that is already committed to schemes being built now. It was acknowledged that owing to the level of funding remaining the amount of grant funding available for allocation to housing providers will be a lot less than it has been in previous years.

70. The panel made reference to the number of affordable homes delivered within the town in recent years and queried whether the Council is still on target to achieve the 170 new affordable homes planned for 2010/11. It was confirmed that the Council is expecting to meet the 2010/11 target, although it was acknowledged that post 2011 the number of affordable homes delivered in Middlesbrough will be less than has been achieved previously. It is anticipated that up to 125 -150 new affordable homes will be delivered annually post 2011. However, much will depend upon the state of the housing market.

71. The Head of Area South at the HCA advised that despite the challenging times ahead Fabrick and Endeavor are innovative social housing providers, who are committed to delivering new affordable housing in Middlesbrough. The providers are doing everything possible to respond to the new National Affordable Housing Programme and address the current difficult financial position.

TO EXAMINE THE POTENTIAL IMPACT OF THE PROPOSED CUTS IN HOUSING BENEFIT ON MIDDLESBROUGH TENANTS COUPLED WITH REDUCTIONS IN THE FUNDING USED TO PROVIDE HOMELESSNESS PREVENTION SERVICES

72. At the panel's initial meeting on the topic reference was made to the proposed cuts in housing benefit, as announced by the Chancellor in his emergency budget on 22 June 2010 and the impact that these cuts would have on Middlesbrough tenants. The outcome of the Comprehensive Spending Review is now known and the Government has outlined in more detail the specific cuts it is intending to introduce with regard to future funding for social housing and changes to the housing benefit system.

73. In addition to the above reference was also made during the 'setting the scene' presentation to the proposed cuts in funding used to provide homelessness prevention services, including Working Neighbourhoods Funding (WNF) and the Homelessness Grant. The panel was concerned about how these cuts in funding coupled with the reductions in housing benefit would impact on homelessness within the town.

74. The Council's Benefit Manager was invited to attend a meeting of the panel, along with representatives from a number of organisations involved in helping to prevent homelessness in Middlesbrough to discuss the issues outlined above.

Proposed Cuts in Housing Benefit

75. Nationally housing benefit expenditure has increased from £11 billion in 1999/2000 to £20 billion in 2009/10. Without reform it is forecast to reach £24 billion by 2015/16. In 2009/10 the total spent on Housing Benefit in Middlesbrough was £64,705,761 and of that figure £15,992,402 was spent on Local Housing Allowance (LHA). LHA provides housing benefit entitlement for tenants renting private sector accommodation.

76. The Coalition Government is looking to reduce public expenditure and the proposed measures are expected to achieve savings of around £1 billion by 2014/15. Some proposals will come into effect in April 2011, with others being implemented from October 2011 onwards.

77. The new measures are as follows;

From 1 April 2011 the Government plans to:

- End the maximum £15 weekly Housing Benefit excess that some customers can receive under the LHA arrangements
- Remove the five bedroom LHA rate so that the maximum level is for a four bedroom property
- Introduce absolute caps so that LHA weekly rates in any area cannot exceed £250 per week for a one bedroom property, £290 per week for a two bedroom property, £340 per week for a three bedroom property and £400 per week for four bedrooms or more
- Deductions for non-dependents will be increased reversing the freeze in rates since 2001-02
- LHA claimants with a disability and a non-resident carer will be entitled to funding for an extra bedroom
- Discretionary Housing Payment will be increased by £10 million in 2011-12 and £40 million in each year from 2012-13

From October 2011 the Government plans to:

- Reduce all LHA rates so that about 3 in 10 properties for rent in the area should be affordable to people on Housing Benefit rather than every 5 in 10 properties as is the case now (LHA set at 30th percentile instead of 50th percentile)

Potential Impact in Middlesbrough

78. The panel was keen to find out what impact the above proposals would have on Middlesbrough tenants. It was explained that each proposal would impact differently on individuals but overall the level of reduction in Housing Benefit would be significant, with an estimated potential loss in benefit to the town of £4.1 million. The panel was provided with a full breakdown of how each of the proposed changes would impact on Middlesbrough tenants. A summary is provided below;

- The cap of maximum allowances will have no impact – Middlesbrough LHA rates are seen as reasonable
- 1,174 households would be affected by the removal of excess payments (approximately 24% of LHA claimants). These households are currently benefiting from additional payments at an average of £8.55 per week. The full impact of the reductions will be from April 2012 onwards.
- 53 claimants who are in receipt of the LHA at the 5 bed rate (currently £212.18 per week) would be affected. Restricting these claims to the 4 bed rate will result in a reduction for individual claimants of £52.93 per week.
- 1,392 households will be affected by the increase in non-dependent deductions. Non-dependent deductions are reductions in benefit for claimants who have other adults, excluding partners, living in the household.
- The increase in non-dependent deductions would result in a £1.05 million reduction in benefit payments in Middlesbrough over three years or just under £470,000 year on year. These figures have yet to be confirmed by the Department for Work and Pensions.
- LHA claimants with a disability and a non-resident carer will be entitled to funding for an extra bedroom. The benefit service will liaise with relevant officers within the department of social care to ensure all potential claimants are identified. Nationally, however, the Government does not anticipate that there will be a significant number of claimants.

79. In terms of the overall impact of the cuts in Housing Benefit the most significant change will be the overall reduction in LHA rates. This will be phased in on a staggered basis over a full year from October 2011.

80. The following table summarises the situation in Middlesbrough for the 4,875 people claiming LHA. All claimants will be affected by the reduction in rates from the 50th to 30th percentile point. The reduction in LHA rates are inclusive of the £72,938, which will result from the restriction to the 4 bed rate from April 2011.

LHA type	No of Claims	Current Rate	New Rate	Difference	Weekly Reduction	Full Year Reduction
Shared	723	£49.86	£43.50	-\$6.36	-\$4,598	-\$239,111
1 bed	1532	£90.00	£85.25	-\$4.75	-\$7,277	-\$378,404
2 bed	1737	£103.56	£94.82	-\$8.74	£15,181	-\$789,432
3 bed	638	£120.82	£109.32	-\$11.50	-\$7,337	-\$381,524
4 bed	192	£159.95	£149.59	-\$10.36	-\$1,989	-\$103,434
5+ bed	53	£212.88	£149.59	-\$63.29	-\$3,354	-\$174,427
Totals	4875				- £39,737	- £2,066,332

81. The weekly loss of individual benefit clearly becomes much more significant for larger households at £10.36 per week for those needing 4 bed accommodation and £63.29 per week (including £52.93 from the 4 bed restriction) for larger families. The Benefit Manager advised that the DWP has calculated that as result of the proposed changes

99% of cases assessed under the LHA scheme (1.02million at March 2010), will be affected in some way by the changes. The average weekly reduction per claimant in Middlesbrough is estimated to be £8.22 per week, which is below the national average of £12 per week.

82. Based on the latest benefit information available 59.7% of claimants in Middlesbrough, whose full rent is currently covered by LHA, will receive Housing Benefit at a rate less than their weekly rent following the reduction in rates, if the change came into effect as of today.
83. Reference was made to the proposed increase in Discretionary Housing Payment (DHP). It was explained that a large percentage of these payments in Middlesbrough are made to support potentially vulnerable people to maintain security of tenure, where their Housing Benefit entitlement does not cover their rent, and thus to prevent potential homelessness. The overall DHP at national level has been frozen at £20 million for many years. The budget proposals will increase this by 50 per cent to £30 million in 2011 and double it to £60 million for the following 2 years.
84. In 2010/11 Middlesbrough received a DHP grant of £42,805. The proposed change suggests a potential increase in grant for the Council to around £64,207 in 2011/12 and a further increase to £128,415 for 2012 onwards. It was noted however that the potential increase in DHP to £64,207 in 2011/12 is a relatively small amount when compared with the anticipated reduction in Housing Benefit payments in 2011/12 of £1,833,786.
85. The Government has also indicated that the additional DHP will be provided to those Authorities whose claimants suffer the greatest loss in benefit. Based on information known, this may suggest that a greater allocation will be provided to Authorities in the London area, as claimants living in London are set to suffer the greatest loss in benefits. If this were to be the case then Middlesbrough may receive less DHP in the future than it does at present.
86. It was advised that residents will be affected in all wards of the town by this change in legislation and at some point during the financial year commencing 1 April 2011, all claimants who receive LHA, will have their benefit reduced. A summary of the anticipated reduction is shown in the table below.

Budget proposal	No of claimants	Ave weekly reduction per claimant	Estimated reduction in HB payments 2011/12	Estimated final reduction in HB
Removal of LHA excess payments	1174	£8.55	£261,196	£522,392
Restricting LHA rates to 4 bed level	53	£52.93	£72,938	£145,875
Reducing LHA rates from 50th in the range of rents to the 30 th point	4,875	£8.15	£1.03 million	£2.06 million
Increased non dependant charges	1,392	£6.48	£469,652	£1.41 million
Totals	7,494	£8.22	£1,833,786	£4,138,267

87. The Housing Needs, Homelessness and Advice Co-ordinator advised that as part of the homelessness prevention work being undertaken efforts are being made to engage with landlords. The advice given to landlords will be that it would be worth their while to reduce their rental rates in line with the new LHA rates. However, there is a risk that an increasing number of landlords will decide not to accommodate families on LHA and that more young people will be affected by the changes.
88. Members of the panel expressed the view that a very bleak picture was being presented. Officers advised that the situation was in fact worse than this, as the Government has also proposed that from April 2013 Housing Benefit payments would be reduced to 90% of the initial award after 12 months for claimants receiving Job Seekers Allowance. Since the panel's initial consideration of this evidence the Government has announced that this particular proposal will not go ahead.
89. In addition to the overall cuts in Housing Benefit the Government has also proposed a 10% cut in the Council Tax Benefit budget, which Local Authorities will have the responsibility for deciding how to allocate. Under 35's will also only be able to claim housing benefit at the shared room rate rather than a whole property, as is the case for Under 25's currently. The panel heard that there is further concern around the impact of the end of the Educational Maintenance Allowance (EMA) which provides vital support to low-income students aged between 16 and 19 years, which has been critical to the significant success of reducing NEETs in Middlesbrough.
90. The panel heard that given the huge demand for social housing the impact of the cuts would further bolster the case for the development of social / affordable housing. It was stated that both landlords and tenants will feel the impact of these cuts. The panel was informed that to date the Council has resisted communicating with tenants and landlords on the potential impact. However, the Department for Work and Pensions is due to hold road shows at the end of 2010 with landlords to advise them of the impact. The benefits team had also made an undertaking to help households facing homelessness using DHP.

Preventing Homelessness

91. Given the level of cuts in Housing Benefit coupled with proposals to cut Working Neighbourhoods Funding (WNF) the Panel was interested to learn more about the services in place to help prevent homelessness within Middlesbrough. The panel was aware that in recent years the figures relating to accepted homeless cases in the town have been very low, due to the excellent preventative measures in place.
92. The panel was advised that since the introduction of the Homelessness Act 2002, local authorities have been required to prevent as well as respond to homelessness. With more of a focus on the prevention of homelessness, this has resulted in a reduction in the number of households that the Council has a statutory duty to accommodate from 454 in 2004/05 to 8 in 2009/10.
93. The Council works with a range of voluntary sector organisations and funds homelessness prevention initiatives to assist households to either remain living in their current home or to find suitable alternative accommodation. The Homelessness and Housing Advice service was contracted out to Erimus Housing as part of the housing

stock transfer in 2004, although the statutory duty to prevent and respond to homeless remains the responsibility of the Council.

94. The main reasons that people approach Erimus Housing for advice and assistance relating to homelessness are due to: instances of domestic violence, young people being asked to leave the parental home and people being given notice to quit (primarily in the private rented sector). The Homeless Prevention Officers at Erimus Housing's Homechoice office assist people who are threatened with homelessness in an attempt to solve their housing issues and prevent them from becoming homeless in the first instance.
95. In addition to the work undertaken by Erimus' Homeless Prevention Offices the Council has commissioned a range of homelessness prevention initiatives through the voluntary sector to further assist households, these initiatives include;
- Sanctuary Scheme – works to support victims of domestic violence and is delivered by My Sisters' Place in conjunction with Erimus Housing
 - Rent Bond Guarantee Scheme – delivered by Erimus Housing the scheme offers targeted financial assistance in the form of providing a cash bond to private landlords to assist households to access private rented accommodation
 - Mediation Scheme – family mediation service delivered by UNITE Mediation Ltd. It is viewed as good practice to prevent young people from becoming homeless
 - Youth Homelessness Co-ordinator – employed by Community Campus 87' the co-ordinator is responsible for organising the Young Person's Housing Panel and improving the process for dealing with young people, aged 16-25 who are homeless or threatened with homelessness.

Future funding arrangements

96. Reference was made to the future funding arrangements for the provision of these services and the panel was advised that with the exception of the Sanctuary Scheme, all of the above initiatives are funded through the Homelessness Grant up until March 2011. From April 2011 the Homelessness Grant is set to become part of the Area Based Grants, although the Council anticipates that the same level of funding will be received.
97. Reference was made to the future funding arrangements for the Sanctuary Scheme and it was advised that the scheme was previously funded through Working Neighbourhoods Funding (WNF). Owing to the success of the scheme it was submitted to the Director of Resources as a priority project following the cessation of WNF funding and an allocation has been made out of the core budget to continue this service for the next five to ten years.
98. The Housing Needs, Homelessness and Advice Co-ordinator advised that the Sanctuary Scheme has been an astounding success. Since 2007 there has been a 98% reduction in the number of homelessness acceptances as a result of domestic violence. Domestic violence has in recent years been the highest cause of homelessness in Middlesbrough and evidence has shown that having this scheme in place saves the Council £150,000 each year. The Executive Member for Resources confirmed that Executive had taken the decision to ensure that the necessary funding is made available in order for this much valued scheme to continue.

99. It was emphasised that without the preventive measures that are currently in place the number of accepted homeless cases in Middlesbrough would remain high. In 2009/10 the figure would have been close to 400 cases compared with the 8 recorded.
100. The Homeless Manager at Erimus confirmed that Erimus' Homelessness and Housing Advice Service do focus heavily on the prevention side. However, the sheer volume of cases currently being dealt with is placing pressures on the service. At present 4.5 FTE Homeless Prevention Officers are managing caseloads of 113 cases each per month.
101. When comparing the April to October period of 2009 with that of 2010 it was advised that Erimus has seen a significant increase in the number of people presenting as homeless. The level of increase is as follows;
- 508 active cases in Oct 2010 compared with 389 in Oct 2009
 - a 51% increase in people presenting as homeless owing to domestic violence
 - a 39% increase in young people being asked to leave the parental home
 - a 30% increase in mortgage arrears
 - a 29% increase in landlord notice to quit
102. It was stated that at present people are being picked up late in the process and it's becoming increasingly difficult to resolve issues at the front end. In October alone 389 households presented as threatened with homelessness and officers are currently working on their cases.
103. In the same month 101 cases were signed off with successful outcomes. People were re-housed in private sector properties using the rent bond guarantee scheme, re-housed in the social housing sector and young people were placed in supported housing schemes. The high number of cases, however, combined with a lack of affordable housing available within the town is posing a real challenge. In addition people are approaching Erimus' Homelessness and Advice Service who would not have been approaching the service a year ago.
104. The Manager of Community Campus advised that there are hundreds of people facing homelessness in Middlesbrough. The Homeless Manager at Erimus stated that the number of accepted homelessness case has already increased compared with the 2009/10 figures. In October 2010 the service accepted a further 10 statutory homeless cases. The panel queried the number of statutory homeless cases accepted so far in 2010/11. It was advised that at the end of the 2nd quarter (September 2010) there had been 6 accepted cases. The figures referred to above would be included in the 3rd quarter out turn but it was evident that there had already been an increase on the 2009/10 level.

Support for Young People aged 16-25

105. With regard to the provision of support for young people faced with homelessness the panel heard that support is provided through two organisations - Community Campus and Single Key. The Housing Strategy Team Leader advised that there are a number of other schemes that young people are able to access including Stages Academy (formally Wellington Hostel) and 7 Park Road North.

106. Community Campus has 29 units of supported accommodation in Middlesbrough where they are able to place young people aged 16-25, and the organisation works with 70 to 75 young people at any one time. The organisation also manages the Youth Homeless Co-ordinator and works in partnership with Erimus and other partners to help prevent young people from becoming homeless. It was explained that the service is commissioned by the Council as part of the Supporting People contract.
107. The Manager of Community Campus advised that in October 2010 43 young people, aged 16-25 were referred to the organisation in need of supported accommodation. The main area of concern for Community Campus is the lack of supported accommodation available in the town and the number of 16/17 year olds currently living in emergency accommodation. The Housing Needs, Homelessness and Advice Co-ordinator acknowledged that there has been a recent increase in the number of 16 and 17 year olds, as well as under 25's presenting as homeless.
108. In terms of accommodating young people in social housing the panel heard that success in finding a placement for a young person can often depend on where the young person is looking to be housed. Age restrictions are placed on a lot of social housing properties and there is a shortage of social housing accommodation in Middlesbrough for under 25's.
109. In an effort to address the above issue the Housing Needs, Homelessness and Advice Co-ordinator advised that pre-tenancy courses have been introduced by Erimus and work is ongoing with a range of other housing providers within the homelessness forum. The Manager of Community Campus explained that young people aged 16 and 17 are not able to sustain a tenancy without support and that the pre-tenancy courses help to prepare young people to manage their own tenancy. The Homelessness Manager advised that Erimus has certain properties that are aimed at young people and that preference is given to those young people who have completed a pre-tenancy course. It was confirmed that young people would have an allocated worker and support plan in place, although the first option is always to try and help the young person to return home.
110. Members of the Panel queried whether the Council was engaged with other Registered Social Landlords and Private Sector Landlords in respect of this issue. It was advised that the Council is engaging with RSL's and Private Sector Landlords to try and influence the way they operate. It was confirmed that officers from the Council meet with RSL's on a quarterly basis.
111. Reference was made to the Mortgage Rescue Scheme in Middlesbrough and how it has helped families to remain in their own homes, where without that support they would have become homeless. It was confirmed that the Mortgage Rescue Scheme will remain as an ongoing tool in homeless prevention services.

Tackling domestic violence

112. In terms of the work undertaken by My Sisters' Place the Director of Services advised that domestic violence is a difficult, cross cutting issue that impacts on health, social care and young people across the town and that a raft of measures are in place to help tackle this issue. It was advised that the Sanctuary Scheme has been successful in helping to prevent homelessness caused by domestic violence and that a direct referral pathway is in place with Erimus. Once a referral has been made to the

Sanctuary Scheme an assessment is undertaken to determine whether the scheme is appropriate and whether it is safe to leave the victim in that property with the children. Measures can be put in place in the property if this is the case or alternatively refuge accommodation can be sought.

113. It was confirmed that a multi-agency approach is adopted and that the Council has been approached by Communities and Local Government (CLG) in respect of using Middlesbrough's Sanctuary Scheme in a good practice guide for other local authorities.
114. The Director of Services at My Sisters' Place advised that in terms of the level of requests for support they are currently experiencing a 51% increase in cases compared with 2009/10. It was advised that the Police are also reporting a 14% increase in domestic violence cases this year. The panel was advised that between April and October 2010 250 people approached the homelessness advice service due to domestic violence.
115. Upon hearing the evidence provided above the panel expressed real concern about the impact that the proposed cuts in housing benefit will have on the town given that the number of people seeking advice and assistance on the issue of homelessness is already on the increase, even prior to the proposed cuts in housing benefit being introduced.
116. The Deputy Director of Resources assured the panel that the Council is lobbying central Government in respect of the Council's future funding allocations, as it is fully recognised by the Council that Middlesbrough will be hit a lot harder by the cuts than most. The Manager of Community Campus advised that the VCS are also lobbying Government at a national level and it is hoped that the Government will make some concessions.

TO CONSIDER HOW APPLICANTS FOR SOCIAL HOUSING ARE PRIORITISED AND SUBSEQUENTLY ALLOCATED VACANT PROPERTIES WITHIN MIDDLESBROUGH

117. Another area that was raised by Members, when considering proposed topics for the 2010/11 Scrutiny work programme, related specifically to the way in which social housing is allocated. The Housing Strategy Team Leader and the Housing Needs, Homelessness and Advice Co-ordinator were invited to attend a meeting of the panel to provide information in relation to this aspect of the panel's review.
118. The panel was keen to understand how applicants are prioritised and subsequently allocated vacant properties. It was explained that the Council is a member of the Compass Scheme, which is a sub regional Choice Based Letting (CBL) scheme operating within the Tees Valley. Members of the scheme include all five local authorities, as well as Ermius Housing, Tristar Homes, Housing Hartlepool, Coast and Country and Endeavour Housing Association.
119. A Common Allocation Policy is in place and this policy sets the framework for how applicants are prioritised and subsequently allocated vacant properties. The policy was adopted by the Council in July 2008 and the sub regional CBL scheme came into effect in July 2009. It was noted that the Common Allocation policy sets out who is eligible to join the Housing Register and how priority is decided when allocating a home. It was explained that participating organisations advertise their properties on a weekly bidding

cycle. Local partner authorities advertise 100% of their properties and RSL's advertise 50% of their vacant stock.

120. Applicants to the scheme place bids upon the property in which they would like to live and a banding system is used for the purpose of ranking an applicant's priority. The applicants banding rate is assessed at the point of application and determined according to their housing needs. A table setting out the priority bandings and qualifying groups was provided and is attached at Appendix 3.
121. It was noted that there are five bands within the scheme, with qualifying criteria under each band. The highest band rating Band 1+ is for decants – people losing their home due to a recognised regeneration scheme within Middlesbrough. Band 1 is for those assessed as statutory homeless / homeless prevention cases. Band 2 is high housing need, Band 3 other housing needs and efficient use of stock and Band 4, in which the majority of applicants are placed, is for people who have no or a low level housing need. The Panel was advised that following the bidding process the property is usually allocated to the household that has the highest level of need. Where two applicants are considered to have an equal level of need the household that has been registered on the scheme the longest would be allocated the property.
122. The Panel was keen to find out how the allocation policy is set to reflect local pressures and priorities. It was explained that the banding system was designed to ensure that local priorities are addressed. Applicants from housing regeneration areas are allocated an overriding priority in their local authority area. Households threatened with homelessness and victims of domestic violence are awarded a high priority banding within the scheme (Band 1), which means that there is no need for them to undertake a homeless application. It was advised that this is a faster, safer and more efficient way in which to assist vulnerable client groups with rehousing.
123. It was acknowledged that the introduction of the sub regional CBL has increased the choice of accommodation available to residents both in terms of location and type of housing. The system also ensures that applicants are only able to bid on properties that are suitable to their individual requirements. All lettings are approved by senior housing officers to ensure they are compliant with the allocation policy. A list detailing the number of applicants in Middlesbrough (including reason) in each priority banding, as of 31 March 2010, was provided and is attached at Appendix 4.
124. In terms of ensuring transparency and fairness it was explained that details of lettings through the scheme are published on a weekly basis on the Compass website and in its newsletter. The information published includes the total number of bids submitted for each property, the band of the successful bidder and how long the household has been waiting to be housed. The partnership also employs a Co-ordinator to oversee the running of the scheme, monitor lettings and ensure any system anomalies or training issues are identified and addressed.

Impact of the Localism Bill

125. It is recognised by the Panel that in December 2010 the Localism Bill was published by the Government, which sets out a number of proposals that aim to fundamentally reform the provision of social housing in England. One of the main proposals relates specifically to the allocation of social housing. The Government is of the view that where there is not enough social housing, even for those who really need it, continuing

to operate an open waiting list raises false expectations and is likely to fuel the belief that the allocation system is unfair.

126. The Localism Bill therefore proposes that local authorities will no longer be forced to include on their waiting lists those with no real housing need and instead will be able to decide who should qualify to be considered for social housing. It is stated that this will allow landlords to operate a more focused waiting list – one that better reflects need and local priorities and can be more readily understood by local people.

127. A number of the other key proposals detailed within the Localism Bill that relate to the provision of social housing are outlined below:-

- Local authorities to be given the powers to manage their housing waiting lists
- Introduction of a new flexible affordable rent tenancy with a minimum fixed term of two years. It will be offered to tenants at a rent higher than social rent and at a maximum of 80 per cent of local market rents. These reforms will only affect new tenancies.
- Investment of £100 million to bring 3000 empty homes back into use
- The introduction of a nationwide social homeswap programme
- Local authorities will be enabled to fully discharge a duty to secure accommodation by arranging an offer of suitable accommodation in the private rented sector, without requiring the applicant's agreement

128. The panel recognises that collectively these measures have the potential to impact significantly on the future provision and allocation of social housing within Middlesbrough.

TO CONSIDER THE WORK BEING UNDERTAKEN BY THE COUNCIL AND ITS PARTNERS TO INCREASE THE SUPPLY OF AFFORDABLE HOUSING, WITH SPECIFIC REGARD TO MEETING THE NEEDS OF AN AGEING POPULATION

129. Demographics are changing and the data indicates that by 2013 27% of Middlesbrough's population will be 60+ (equivalent to 37,000 people) and 1 in every 10 will be aged 75+. It is recognised that there is a strong aspiration amongst older people within Middlesbrough for 2 bedroom properties, as is the case nationally, but that there is also an under supply of extra care housing within the town.

130. The Panel was therefore interested to find out what action is being taken by the Council and its partners to address these issues. An invitation was extended to the Strategic Housing Services Manager and Head of Older People and Physical Disabilities to provide this information.

Older People's Housing Strategy (2007)

131. The Panel was informed that the Council's Strategic Housing Service and Department of Social Care, in Partnership with Middlesbrough Primary Care Trust developed an Older People's Housing Strategy (OPHS) in 2007. Stakeholders, including Registered Social Landlords (RSL'S), partners and community groups were consulted on the Strategy and a Steering Group is responsible for carrying out the monitoring and delivery of the actions contained within it. It was advised that the Strategy has recently been updated to reflect the current position and that the Strategy aims to bring together services that help older people.

132. The Panel made reference to the OPHS and queried which partners are present on the Steering Group. It was advised that the Older Persons' Partnership Board is responsible for reviewing the Strategy, as the Board features good representation from the Council and Voluntary Sector.

Extra care sheltered housing

133. Reference was made to the work undertaken with RSL partners and it was stated that a lot of work has been undertaken to make best use of the town's existing housing stock. A recent discussion with RSL partners on the condition and sustainability of their sheltered housing stock has suggested that some have become difficult to let. As a result one RSL is planning to improve the layout in a number of units while another has suggested conversions for use as short-term, assessment units for older people coming out of hospital after illness or a fall.

134. Within the OPHS one of the three key aims of the Strategy, as identified in 2007, is the need to develop sheltered housing to become more flexible. The Strategy specifically proposes that existing sheltered housing be upgraded to become extra-care sheltered housing schemes. The Strategy contains an evaluation of the sheltered housing stock available within the town and identifies those most suitable for redevelopment. It was noted within the Strategy that discussions were held in 2006, with the key providers and a number of schemes were identified as suitable for upgrading. The Panel queried the level of progress that has been made against this aim.

135. The Housing Strategy Manager acknowledged that the upgrading of sheltered housing to become extra care sheltered housing was not as simple in reality, as portrayed in the OPHS. In terms of the financial investment that the Council could contribute for the purpose of remodelling sheltered housing it was advised that there is not a lot of grant funding available. Any remodelling would therefore need to be undertaken at the RSL's own risk. It was acknowledged that further work does need to be undertaken, in partnership with the RSL's, on the reconfiguration of existing sheltered schemes to help meet a proportion of the extra care housing that is needed within the town.

Affordable housing

136. A number of new affordable homes for older people have been developed in recent years and the level of grant funding received for affordable housing in Middlesbrough has been significant. It was stated, however, that with cuts of 60% in the national affordable housing budget, funding for future schemes would be reliant on the contributions of partners e.g. local authority offering land at nil cost or RSL's increasing their contributions.

The following information was provided in respect of new affordable homes recently delivered for older people within the town;

- a) St Francis Close, Acklam Green (36 x 2 bed bungalows with 1 being wheelchair standard) with a mix of social rent and New Build Home Buy

- b) Trinity Crescent, North Ormesby (8 x 2 bed bungalows for social rent with 2 being wheelchair standard) and (6 x 2 bed apartments with 2 being wheelchair standard for social rent); and,
- c) Tregarth Close, Saltersgill (18 bungalows for social rent)

137. It terms of the future development of social rented schemes for older people the Panel was informed that a grant of £1.4 million has been secured from the HCA to build 20 apartments, including two fully wheelchair adapted and 2 partially adapted properties on the site at Levick House. It was explained that in order for this development to be financially viable Levick Trust contributed the land for nil cost making the level of grant required from the HCA much less.

138. In relation to future funding provision for affordable housing the Panel was advised that the Council is awaiting the publication of a new funding model, which is expected at the end of January 2011. The model will detail how local authorities and RSL's can bid for grants for future schemes. It was explained that whereas at present the Homes and Communities Agency (HCA) maybe contributing a grant rate of £50,000 per unit to deliver affordable housing in the future the HCA may award half of that rate per dwelling. RSL's will be able to raise rents in order to subsidise developments, although it remains questionable as to how much funding this will generate in Middlesbrough.

139. It was advised that the Council would need to get to a point where new build affordable housing is being developed very differently from how it's being developed currently. It was explained that affordable housing must be delivered more cost effectively and offer a better deal for funders. There will also be a greater need to come up with new products, for example intermediate housing products.

Extra care provision

140. The need for additional extra care provision within the town was discussed and the Panel was informed that the OPHS (2007) identified a shortfall of extra care provision in Middlesbrough, siting as many as 184 additional units needed by 2025/26. It was advised that Pennyman House remains the only extra care housing scheme within the town and the scheme consists of 42 apartments. The Panel queried whether Pennyman House is popular and it was advised that the scheme is always oversubscribed, which has resulted in some unnecessary admissions to more costly residential care placements. It was highlighted that efforts are continuing to develop additional extracare units within the town and 20 units will be coming on board from 2012 at the former Levick House site.

141. The Panel notes that in a recent paper submitted to the Executive a broad estimate of potential savings arising from a placement in an extra care scheme (Pennyman House) against the cost of a residential care placement is around £250-£300 per week.² This assumes that the client entering extra care would have otherwise entered residential care. The OPHS states that in 2006 the Council provided to the Housing Corporation a target provision of 141 units of Extra Care Sheltered Housing by 2020/25. It was assumed that 25% of referrals to Residential Care (2006) figures could be provided for under an Extra-care Sheltered model.³

² Meeting the challenges of an ageing population – older people's housing needs, Executive 27 July 2010

³ Older People's Housing Strategy (Technical Appendices), October 2007

142. It was acknowledged that in terms of achieving the target provision for extra care within Middlesbrough the Council is only a third of the way there and does need to be more creative in bringing forward further provision. It is accepted that the use of extra care as an alternative to residential care provision does have the potential to generate financial savings for the Council, although it is recognised that the development of extracare schemes such as Pennyman House are extremely expensive to build and difficult to fund. Another issue in Middlesbrough is that owing to low property values older people cannot afford to purchase an apartment within an extra care scheme, in the same way as they can in other parts of the country. Mixed tenure schemes (where some apartments are rented and others sold) cannot therefore be developed in the town without public subsidy.

143. It was stated that in general the majority of older people want to maintain their independence by living in their own homes, with the appropriate level of care and support necessary to achieve that independence. A range of initiatives are in place to support people to remain at home and this support is provided by the Staying Put Agency, Telecare, the Integrated Falls Service and the Occupational Therapy Service. The Panel was informed that adaptation work is also undertaken in order to help address the housing needs of older people.

Planning obligations / section 106 agreements

144. With regard to increasing the supply of new affordable housing for the older people the Panel was advised that the Council will continue to work RSL's, the HCA and/or private developers, using contributions secured through planning obligations, to provide a range of purpose built homes for older people. The Panel queried how successful the Council has been to date in securing contributions through section 106 agreements for affordable housing for older people.

145. The Strategic Housing Manager explained that the Council is able to ask the developer for an affordable housing contribution on site or the developer can submit a request to contribute towards off site provision, whereby the developer contributes to a fund for the future development of affordable housing. It was advised that the Council has started to request off site contributions and its first request has been submitted. It was confirmed that the Council has been successful in securing affordable units previously including adapted properties for people requiring wheelchair access, for both children and older people.

Retirement Village – Middlehaven / Hemlington

146. In terms of future proposals for the development of older people's housing the Panel was advised that this could be met by building on a larger scale on a specifically allocated site, rather than using small, pepper-potted sites across the town. At the present time, a retirement village style approach to older people's housing provision is thought to be the way forward. It was noted that a report was presented to Executive in July 2010, considering this option.

147. The Panel heard that this type of development would provide a whole range of services to meet individual needs and circumstances. It could be anything from a small estate to a large village-sized development of bungalows, apartments, or houses with extra care being a key component. It was advised that potential sites have been put

forward, for example, Middlehaven and Hemlington Grange but that this proposal is still at a very early stage.

148. The Panel queried whether the proposals for the retirement village would include properties for people to buy as well as rent. The Strategic Housing Services Manager confirmed that properties would be available to purchase. It was advised that there are a number of examples of retirement villages across the country, which include both private and affordable housing provision.
149. With regard to the possibility of developing a retirement village on the Middlehaven site the Panel questioned how many years it would take for such a scheme to come to fruition. It was advised that the proposal was very much at the concept stage at present and the timescale was not yet known, although it was acknowledged that it would be in the medium to longer term. It was stated that the Council would not be looking to commission a retirement village rather the concept would be built into the master plan for Middlehaven. Investors would need to take on the risk involved in developing a retirement village and any such development would be led by the private sector, with the approval of the Middlehaven Board.
150. Reference was made to the work undertaken in Hartlepool to develop extra care housing. It was confirmed that a large extra care scheme has been developed in Hartlepool and that the scheme contains both private and affordable housing. It was advised that if Hartlepool had the opportunity to develop the scheme again the Council would approach the project differently and reduce the proportion of affordable units. The Strategic Housing Services Manager stated that there is a lot of work still to do in respect of a similar scheme being developed in Middlesbrough. Private sector investment for such a scheme would only come forward where the private sector can see the financial benefits.

FABRICK HOUSING – OLDER PEOPLE’S STRATEGY

151. At the panel's initial meeting on the topic of social housing reference was made to Fabrick Housing Group's first Older People’s Strategy (2010 to 2015) and Members indicated there were keen to gain an insight into this work. Accordingly, the Group Director of Operations at Fabrick Housing Group was invited to attend a meeting of the panel.
152. The panel was informed that to date not many Housing Associations have developed an Older People’s Strategy but owing to the demographic changes and increasing number of older people in need of support Fabrick decided to look at how they can support older people and help them to live independently within their own homes and community.
153. It was advised that the vision for the Strategy is “offering choice, promoting wellbeing and respecting dignity in later years” and that there are 6 overriding priorities, as follows:-
- Providing relevant information and advice to older people
 - Enabling older people to live independently for longer
 - Promote the benefits of inclusive neighbourhoods and social inclusion
 - Helping our old people to maximise their income
 - Promoting health and healthy living with older people

- Providing new homes and maximising our assets

154. Reference was made to the provision of new affordable homes and it was advised that the building of new homes is only one of the ways in which to increase the number of properties that are suitable for older people. Adapting homes is also a key consideration and a huge range of adaptations are undertaken on an annual basis.
155. Reference was made to Fabrick's investment in adaptations and it was advised that the Group spends £650,000 to £700,000 per annum, with Erimus spending approximately £500,000 to £550,000 of that sum on their properties. It was noted that within that figure it costs approximately £500 to help move someone to a property more suited to their needs, whereas the average adaptation costs between £1500 and £1800. With budgets become tighter Fabrick is looking for ways to be more creative and make the adaptations budget go further.
156. Reference was made to the issue of waiting lists for adaptations to be undertaken. It was advised that there is currently no adaptation waiting list but Fabrick is aware that there are thousands of older people living in Fabrick Housing Group properties who are in need of more general support. It was explained that many older people do not qualify for home help support but do require help with general every day things that most people take for granted. Many older tenants, for example, are interested in accessing services including a handyman, decorating and gardening service. Fabrick Housing Group is currently exploring ways to establish a social enterprise that can provide these services, as well as to help support people into employment. It was noted that this is still being worked through at present, as part of Fabrick's Social Investment Strategy.
157. The Group Director of Operations advised the panel that Fabrick has been quite clear in stating that as an organisation it can only do so much. Fabrick does not have a responsibility for everything to do with older people. The organisation has, however, looked at how its housing stock is currently being used and has now collated a lot of that information.
158. With regard to helping people to downsize the Panel heard that Fabrick do already help tenants to move into smaller properties. It was confirmed that the Group would never make anyone move but often when tenants are advised that Fabrick will help with them to move, sort out their utilities and refit their carpets and curtains people are more than happy to move. The biggest hurdle for older people is not that they are unwilling to move house but often they do not have the strength or energy to do so.
159. Another key area within the strategy relates to Extra Care v Virtual Extra Care. It was advised that as a form of housing provision Pennyman House was extremely expensive to build. Fabrick is therefore considering the benefits that Virtual Extra Care models can offer and whether delivering services out in the community is as effective as developing purpose built Extra Care provision. It was advised that Fabrick would be prepared to build another Extra Care facility in Middlesbrough if such an opportunity arose.
160. In response to a query it was stated that Fabrick Housing Group has given consideration to the possibility of developing a retirement village but it is felt that this is not something the Group would be in a position to develop. Reference was made to the proposal for a retirement village to be developed at Middlehaven and it was advised

that Fabrick Housing Group would be willing to be a partner in the scheme but it would need to be a shared risk and it was not something that Fabrick could develop itself.

161. The Panel queried what plans Fabrick Housing Group have to build new affordable homes in the near future. It was explained that the grant funding available from the HCA for the development of social and affordable housing has been cut significantly. To give an indication of the level of cuts it was advised that if a property cost £100,000 to build Fabrick would have expected to receive approximately £55,000 from the HCA towards meeting that cost. Following the cuts Fabrick is expecting to receive approximately £25,000 or half the amount they would have been receiving previously. It was advised that the Group is still expecting to build 250-300 new affordable units per annum and that some of those would be in Middlesbrough and some would be elsewhere.

162. A Member of the Panel queried whether Fabrick Housing Group is able to secure funding to modernise properties. It was advised that funding is not available for modernisation and that the £150 million modernisation work undertaken in Middlesbrough has been done through Fabrick's own borrowing from the banks. It was stated that the Decent Homes Standard has now been achieved and a continuous annual rolling programme of improvement works is in place.

163. Reference was made to the Government's proposal for RSL's to offer intermediate rents to help fund 150,000 new affordable homes to be built over the next four years. It was advised that this proposal, which is set to allow RSL's to offer intermediate rents at around 80 per cent of the market rent to give a 20 per cent difference to help fund affordable housing, will simply not work in Middlesbrough. It was advised that in many cases the market rent set by Erimus, for example, in areas such as east Middlesbrough is roughly the same as private rents. The Director of Operations stated that this policy has been designed primarily for areas in the South and it will not work for many areas in the North East. The National Housing Federation and Northern Consortium are lobbying the Government on this issue. The Government will be made aware that through this policy money will not be released to RSL's in the North East in order for them to build new affordable housing.

164. It was acknowledged that ensuring the delivery of affordable homes in the future will be a difficult task but that Fabrick is working closely with the HCA on this issue. Fabrick is accessing funding from the HCA for mortgage rescue and other funding streams are also available, although it was accepted that in terms of future funding for social / affordable housing for older people there is not a lot of funding available. The Panel queried the percentage of the properties that Fabrick are intending to build in the next few years that will be specifically for older people. It advised that this would depend entirely on the land available and what opportunities develop, as well as the overall scheme costs. It was emphasised, however, that Fabrick would not be building apartments.

CONCLUSIONS AND RECOMMENDATIONS

165. Based on evidence given throughout the investigation the Panel concluded :

Erimus – Stock Transfer

- a) The panel is extremely pleased to note the success of the housing Stock Transfer and the level of investment that has been made in achieving the Decent Homes Standard. It is evident that Erimus has fulfilled all of its 75 promises to tenants and customer satisfaction levels are high. In addition, Erimus has delivered the Council's homelessness service to a very high standard enabling the Council to achieve top quartile performance for homelessness in 2009/10. Erimus has also directly funded the adaptation service with a total spend on adaptations of £3.103 million up to March 2010. In terms of future areas of work the panel recognises that there is a need for the Council to establish a more up to date service agreement with Erimus for the homelessness service and for a protocol to be agreed in respect of adaptation expenditure post 2014.

Provision of Social Housing

- b) It is clear that demand for social housing within Middlesbrough is high and even when only those assessed as being in urgent or high housing need are considered demand exceeds supply. The overall provision of social housing as a type of housing tenure in Middlesbrough is higher than the national average, and slightly higher than the sub regional average, yet demand for social housing remains strong. The panel is concerned that the impact of the recession, rising unemployment, difficulty in accessing mortgage finance and future cuts in housing benefit will only serve to further increase demand, at a time when funding to develop new affordable housing has also been cut significantly. The panel is of the view that there remains a continued need to develop social / affordable housing within the town, along with a need to increase the proportion of private sector housing tenure in line with sub regional averages.
- c) In light of the evidence presented the panel is concerned by the fact that the Government's proposal to introduce an intermediate market rent will not result in the provision of new affordable homes in Middlesbrough i.e. contribute to the 150,000 affordable homes the Government anticipates that the introduction of an intermediate market rent will help to fund. The options available to ensure the future development of affordable housing will therefore include; securing additional affordable units through section 106 agreements, the Council and / or its partners contributing land or assets at nil cost to reduce the grant rate required from the HCA, pooling any income generated from the New Homes Bonus scheme to invest in the delivery of affordable homes and RSL's generating funding through borrowing against future rental income from the banks. The panel appreciates that in the future affordable homes will be delivered differently from how they are now, and the Council will need to maximise its use of the aforementioned options.
- d) Owing to the significant reduction in the level of HCA grant funding that will be available in the future it is evident that section 106 agreements will become more important, as through these agreements the Council has a direct influence on the number of new affordable homes secured. The New Homes Bonus Scheme will also play an important role due to the fact that it introduces a financial incentive for the Council to ensure that housing development takes place within the town, with an added bonus for the development of affordable housing. Empty homes that are returned to use will also qualify for the Council Tax element of the New Homes Bonus and therefore increasing the number of

empty homes that are returned to use will also be important in helping to alleviate the high level of demand for social housing within the town.

- e) It is evident that new affordable housing units have recently been delivered in wards of the town where there is already a relatively high percentage of social housing. If the town wishes to create sustainable communities rather than having social housing that is clustered in estates then efforts must be made to ensure that new affordable housing is delivered in areas of the town where there is currently a low proportion of social housing. It is vital that new affordable housing is delivered alongside private housing, and this will be particularly important in increasing the attractiveness and take up of intermediate housing products.
- f) It is clear that intermediate housing products will become more important in the future provision of affordable housing. However, there is a need for people to understand what these products are and how these products can help them to access home ownership. The panel is of the view that sustained efforts must be made to secure additional intermediate housing products in Middlesbrough, in an effort to help people to access low cost home ownership, rather than just affordable rent.

Impact of the cuts in Housing Benefit

- g) The cuts in housing benefit, as detailed in the report, are of real concern to the panel and will have a significant impact on the town, with an estimated potential loss in benefit to the town of £4.1million. The panel is particularly concerned by the fact that if the cuts came into effect as of today almost 60% of people in Middlesbrough, whose full rent is currently covered by housing benefit, would experience a short fall in their rent. The panel is therefore extremely concerned about the impact that the cuts will have on families within the town, as there is a real potential that if private sector rent rates are not reduced, in line with the new LHA rates, people will fall behind with their rent resulting in increased levels of debt, homelessness and poverty. It may also be the case that an increasing number of landlords decide not to accommodate families on LHA.
- h) During the course of the panel's investigation it was advised that the average weekly reduction per claimant in Middlesbrough is estimated to be £8.22 per week, which although is below the national average of £12 a week still equates to over £425 per year. This is against a backdrop of increasing unemployment within the town, 13 of the town's 23 wards being sited within the 10% most deprived nationally and amongst the most financially excluded in the UK, and evidence suggesting that 18% of children in the town are living in severe poverty. The panel is aware that efforts are being made by officers and Members of the Council to highlight to the Government the impact that the spending review cuts, coupled with cuts in WNF funding and housing benefit, will have on the town but to date few concessions have been made. The panel is therefore of the view that there is an urgent need to communicate with those in receipt of housing benefit to advise them of how much less they can expect in 2011/12 to help them plan for the future.
- i) It is important that people are made aware of what options are available to them if they can no longer afford to pay their rent and where they can access help and

support. People need to know what options are available to them prior to the lower LHA rates being introduced and good information is crucial in helping to support people through what will be a difficult time. It will also be important to engage with landlords in an effort to encourage them to reduce their rents and bring them in line with the new LHA rates.

Future provision of homelessness prevention services

- j) It is acknowledged by the panel that Erimus has delivered the Council's homelessness service to a very high standard reducing the number of homelessness acceptance cases from 454 in 2004/5 to 8 in 2009/10. Of particular success has the provision of the Sanctuary Scheme, undertaken in partnership with My Sisters Place, to reduce the number of cases accepted, as a result of domestic violence. The panel is pleased to note that following the cessation of WNF funding main stream funding has been secured to continue provision of the Sanctuary Scheme. The panel recognises, however, that pressures on the homeless and housing advice service are increasing.
- k) The panel is very concerned by the fact that Erimus has seen a significant increase in the number of people presenting as threatened with homelessness in 2010/11, when compared with 2009/10. A 51% increase in people approaching the service as a result of domestic violence, a 39% increase in young people being asked to leave the family home, a 30% increase in mortgage arrears and a 29% increase in landlord notice to quit has, at the end of quarter three, already resulted in the number of accepted homeless cases being higher than last year's full out turn. The panel is particularly concerned about the increase in the number of young people being asked to leave the family home and is firmly of the view that the Council must ensure that there is sufficient supported accommodation available for vulnerable young people within the town.
- l) The placing of young people in temporary accommodation (B&B or Hostel at the age of 16 and 17) must be avoided and measures need to be put in place to ensure that young people are not being placed in emergency accommodation. The panel is aware that there is a lack of social housing within the town for under 25's and that age restrictions are placed on many properties. The panel is encouraged to hear about the work that has been undertaken with Erimus to introduce a pre tenancy course for young people to help them to access specific properties. The panel would like to see these courses being promoted with other social landlords within the town to ensure that there is sufficient move on accommodation for young people.

Meeting the needs of an ageing population

- m) The panel is of the view that the Older People's Housing Strategy (2007) sets out clearly the housing needs of Older People within Middlesbrough. The Strategy was finalised in October 2007 and one of the main aims of the Strategy was to increase extra care provision within the town. Unfortunately, however, within the 2007/08 to 2010/11 period the Council has been unable to secure the necessary funding to develop any additional extracare units, despite funding bids having been submitted.

- n) It is acknowledged that in the current economic climate the likelihood of securing the level of funding needed to develop another extra care facility, similar to Pennyman House, is remote. The lack of extra care provision within the town therefore remains a real concern, particularly when it is resulting in unnecessary admissions to residential care at additional cost to the Council. The panel is therefore of the view that if funding for the development of additional extra care units cannot be secured in the current climate alternative options must be prioritised. Emphasis must be placed on upgrading sheltered accommodation within the town to extracare sheltered accommodation, together with increased investment in the provision of virtual extracare. The possibility of developing a retirement village at Middlehaven is a longer term plan and progress needs to be made on this issue in the short to medium term.
- o) The panel is concerned that an updated version of the Council's OPHS has not been published and nor has a recent refresh of the strategy or an updated action plan been submitted to the Older Persons' Partnership Board for monitoring / review purposes. The panel is unclear whether the Older Person's Partnership Board views the monitoring and reviewing of the OPHS within its remit and whether as a body it is best suited to fulfil this role.
- p) The panel is pleased to note the development of Fabrick's older people's strategy and in particular Fabrick's proposal to develop a social enterprise that will enable older tenants to access a handyman, decorating and gardening service.

RECOMMENDATIONS

166. That the Economic Regeneration and Transport Scrutiny Panel recommends to the Executive:
- a) That a more up to date service contract agreement for the homelessness service be established with Erimus and that a protocol be agreed in respect of adaptations expenditure post 2014.
 - b) That efforts to deliver new affordable housing within the town be continued and supported, with an increased focus on securing new affordable housing in areas of the town where there is currently a low proportion of social housing. All mechanisms available to the Council will need to be maximised in the current economic climate including securing additional units through section 106 agreements, contributing land or assets at nil cost and investing income generated from the New Homes Bonus Scheme in the delivery of affordable homes.
 - c) That the success of securing affordable housing through section 106 agreements be monitored and annual update provided to the panel detailing the amount of on-site, off-site and financial contributions to affordable housing that have been secured. A 3-4 year programme to also be established to bring a targeted amount of empty homes back into use across the town.
 - d) That a focus on increasing the number of intermediate housing market products on offer within the town be prioritised in an effort to help more people to access the housing market and become owner occupiers.

- e) That work is undertaken to increase peoples understanding of the various intermediate housing market products on offer and to ensure that people within the town are aware of what is currently available and what is planned for the future. A central register to which people can submit their details if they are interested in receiving information on intermediate housing products to be developed.
- f) That LHA claimants be advised in writing of the changes in housing benefit introduced by the Government along with a comprehensive guide on where they can access help in Middlesbrough if they have concerns about being unable to meet their rent payments in the year ahead. Efforts to also be undertaken via the landlords' forum to encourage landlords to reduce their rents in line with new LHA rates.
- g) That the placing of young people in emergency accommodation be avoided at all costs and that efforts be made to secure additional supported accommodation and move on accommodation for vulnerable young people within the town. The use of pre tenancy courses is to also be promoted with social landlords in the town to help increase the amount of move on provision.
- h) That an updated version of the Older People's Housing Strategy (2007) be published and a progress report on the action plan contained therein be reported to the Panel on an annual basis.
- i) That continued efforts be made to deliver additional extracare units in the town in order to address the current shortfall in provision. If this objective cannot be achieved in the short to medium term then the upgrading of sheltered accommodation to extracare sheltered accommodation and investment in virtual extracare must be prioritised.
- j) That an agreement be reached with providers of social housing within the town on how many upgraded extracare sheltered accommodation units can be provided in the next 3 years and how the Council can help support to deliver this objective within that period.

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167. The Panel is grateful to all those who have presented evidence during the course of our investigation. We would like to place on record our appreciation, in particular of the willingness and co-operation we have received from the below named:-

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 Martin Barker – Benefits Manager Client Unit
 Sharon Caddell – Housing needs, Homelessness and Advice Co-ordinator
 Alan Hunter – Housing Strategy Team Leader
 Shaun Mayo, Clinical Services Manager
 Julie McNaughton Homeless Manager, Erimus
 Anne Mulroy, Head of Area South, Homes and Communities Agency
 Becky Rogerson, Director of Services, My Sisters' Place
 Chris Smith, Chief Executive, Erimus
 Diane Smith, Head of Housing, Endeavour Housing Association

Susie Thompson, Director of Operations, Fabrick Housing Group
Janine Turner - Strategic Housing Services Manager
Simon Virth, Manger, Community Campus
Cllr N. Walker - Executive Member for Resources

COUNCILLOR J. COLE
CHAIR OF THE ECONOMIC REGENERATION AND TRANSPORT SCRUTINY PANEL

February 2011

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BACKGROUND PAPERS

The following background papers were consulted or referred to in the preparation of this report:

- (a) Middlesbrough Council Housing Strategy 2008 –11
- (b) The Good Politicians guide to: Affordable Housing, National Housing Federation, September 2010
- (c) Comprehensive Spending Review – Implications for Middlesbrough, Executive Report, November 2010
- (d) Middlesbrough Council Affordable Housing Supplementary Planning Document Consultation Draft, March 2010
- (e) Compass Tees Valley Common Allocations Policy, Tees Valley Choice Based Lettings Partnership
- (f) The Localism Bill, Communities and Local Government, December 2010
- (g) Local decisions: a fairer future for social housing, Communities and Local Government November 2010
- (h) 2011-2015 Affordable Homes Programme – Framework, Homes and Communities Agency, February 2011
- (i) New Homes Bonus: final scheme design – Communities and Local Government, February 2011
- (j) Government White Paper - Local Growth: realising every place's potential, October 2010,
- (k) Home truths: Confronting the funding challenge, Price Waterhouse Coopers, June 2010
- (l) Meeting the challenges of an ageing population – older people's housing needs, Executive Report, July 2010
- (m) Middlesbrough Council Older People's Housing Strategy, October 2007
- (n) Annual Report to Middlesbrough Council 2009/10, Erimus Housing, June 2010
- (o) How are we doing? Performance Update 2009/10, Erimus Housing, June 2010
- (p) The Erimus Annual report and progress since Stock Transfer, Executive, October 2010
- (q) Older people's strategy 2010-2015, Fabrick Housing Group