

Briefing Paper - Supported Housing Capital Threshold

This briefing paper explores the proposal of retaining and raising a capital threshold for Supported Housing applicants.

The paper will explore why it is considered appropriate to place a capital threshold placed on applicants applying for Supported Housing. This is to ensure that the council can continue to make best use of its housing portfolio with specific regard to housing need, availability of stock, and financial accessibility. This report also suggests a reasonable and proportionate figure for the capital threshold. Consideration has been given to the accessibility of properties available through private sale or rent directly for those households who would be likely supported housing applicants.

Summary

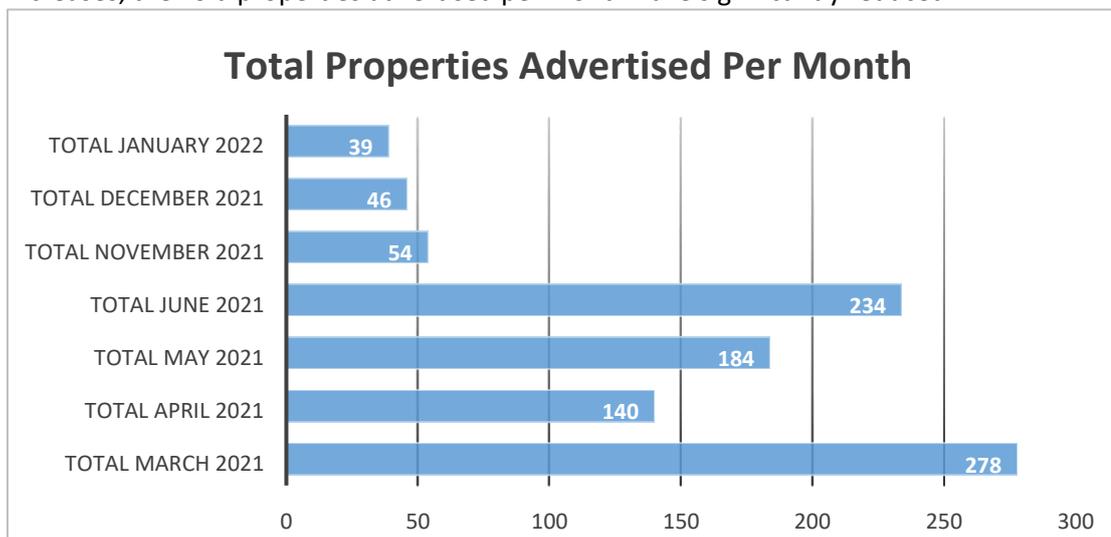
The current Allocations Policy stipulates that *'Applicants will not qualify if they have the financial means to meet their own housing need. We define this as the applicant and/or their partner having in excess of £60,000 gross income or £16,000 in savings (except where a lump sum has been paid to a current or former member of the armed forces as compensation). Supported housing applicants will be exempt from this criteria if it is evident that their financial means is £250,000 or less.'*

The new policy drafted and approved by Cabinet in November 2021 proposed no upper capital threshold. This policy is due for full implementation in summer 2022. At the time of writing the new policy draft, the service had a high number of vacancies, with a lack of demand for Supported Housing properties in Dacorum, this was resulting in lengthy and repetitive advertising cycles, extremely high void periods and loss of income to the Housing Revenue Account (HRA). The new Policy wording: *'2.5 Financial Means' that 'Supported Housing applicants over the age of 60 will be exempt from this criteria.'* However, following a review of the data, the capital limit needs to be revised again due to the change in demand of Supported Housing properties.

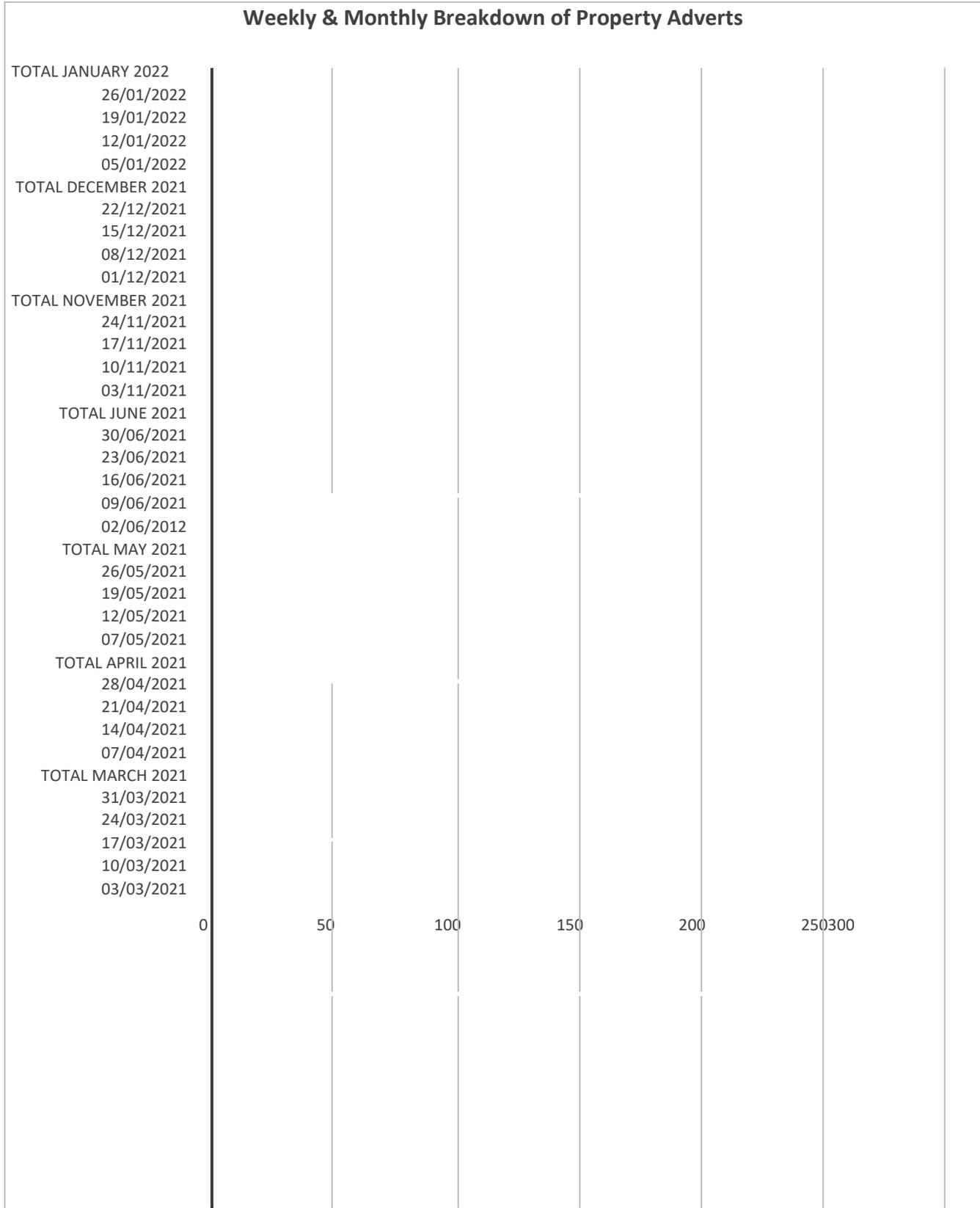
The council has 1906 supported housing properties. Of which, 691 CAT 1- Community properties and 1215 CAT 2- Indoor & Outdoor Schemes.

What the data says

At the time of drafting the new policy, the demand for supported housing was low. The decision to remove the capital threshold, was proposed to encourage further applications to ensure that supported housing properties were being let and to reduce income loss to the HRA (Housing Revenue Account). As the demand for sheltered housing increases, the void properties advertised per month have significantly reduced.



Below is a further breakdown of the council’s sheltered void properties advertised weekly and monthly. The data below shows that following the review of the policy, the void properties available had decreased by 86% by January 2022.



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Supported Housing Capital Threshold

February 2022

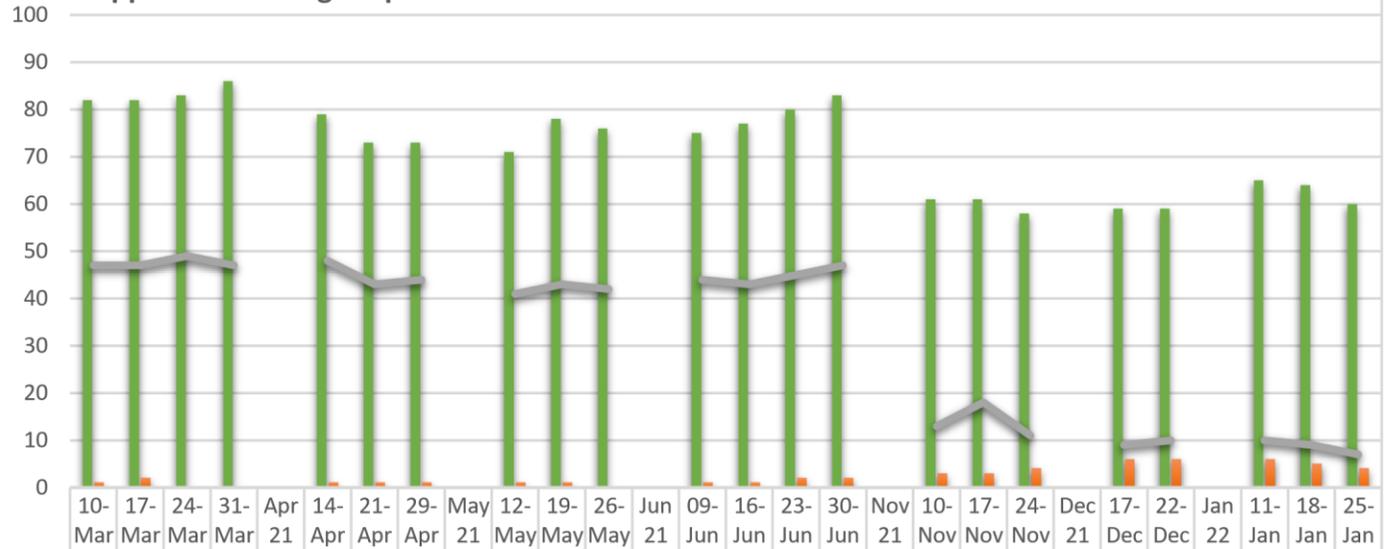
Demand for supported housing has increased significantly, this is likely to be as a result of targeted discussions by Sheltered Housing staff and the Housing Needs team – in addition it is likely that the impact of the pandemic has seen a number of households consider their future living requirements and support needs. This therefore requires a subsequent review of the decision to remove the capital threshold and ensure that our approach is reflective of the current circumstances.

Below is a full breakdown of supported housing properties per week. The number of void properties available per week may not always be advertised and may be used for direct offers. Void properties may not be ready for advertisement or occupation, and this is reflected in the data. Void properties also include properties being considered for adaptations or confirmed adaptations for direct offers.

The graph displays that supported housing that is available for advertisement has significantly decreased. Properties considered under adaptations have been increasing weekly. The number of properties available is decreasing.

Supported Housing Properties Breakdown

Number of Supported Housing Voids



Total Supported Voids per week	82	82	83	86	79	73	73		71	78	76		75	77	80	83		61	61	58		59	59		65	64	60
Adapted Supported Properties	1	2	0	0	1	1	1		1	1	0		1	1	2	2		3	3	4		6	6		6	5	4
Supported Properties Being Advertised/Ready for Direct Let	47	47	49	47	48	43	44		41	43	42		44	43	45	47		13	18	11		9	10		10	9	7

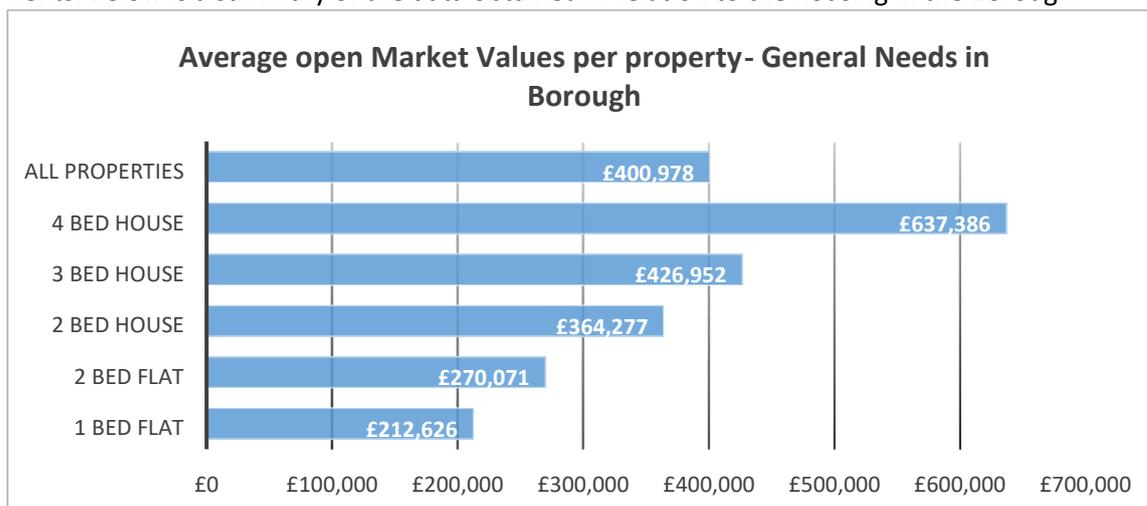
■ Total Supported Voids per week
 ■ Adapted Supported Properties
 — Supported Properties Being Advertised/Ready for Direct Let

There are currently 1136 Applicants over the age of 60 on the Housing Register, 823 are active and 675 of the 823 have stated that would like to move into Supported Housing.

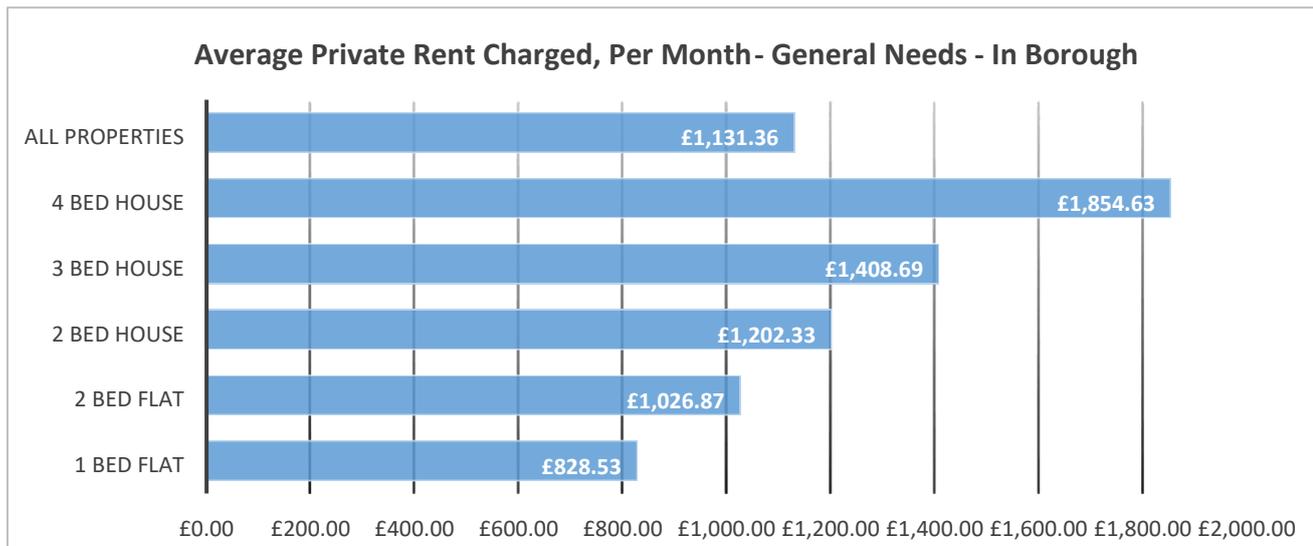
The decrease in properties available and current active applicants requiring to move must be taken into consideration. If the capital threshold is fully removed as previously proposed, there will be significantly more applicants able to access the housing register who have the potential to resolve their housing situation themselves using their own financial means – this could further impact other areas of the organisation such as Private Sector Housing and Revenue & Benefits, as a result of a potential increase in Empty Homes.

The Current and Proposed Threshold

In consideration of the current capital threshold being £250,000, and the proposed policy to have removed the upper capital threshold altogether; research has been conducted into, Open Market Values for General Need’s properties, Private rent values, Market value data for supported housing properties and Supported Housing Private Rents. Below is a summary of the data obtained in relation to the housing in the Borough.



- The average open market value to purchase a general needs property within the Dacorum Borough is averaged at £400,978.
- The average open market value to purchase 1 to 3 bedroom properties is £318,481.
- The average supported housing private sale equivalent is averaged at £328,797.11. The properties on average have between 1 and 3 bedrooms. (The average is based on properties sold within the last two years).



- The average 'general needs' private rent cost per month in the Borough is £1131.36. □ The average supported housing equivalent private rent cost per month is £1363.52.

To further consider the impact of capital threshold on applicants, please consider the scenarios below:

Scenario 1

Mr S has applied to the councils housing register. He is widowed aged 70 and has advised that he wishes to move to Supported Accommodation. Mr S currently resides in a privately owned house, in which he has approximately £300,000 capital. Mr S advises this is a 2 bedroomed property. His bathroom is on the first floor and his kitchen on the ground floor. Mr S is unable to safely navigate stairs due to worsening health conditions, and is vision impaired. Due to Mr S's mobility problems, Mr S uses a mobility scooter outdoors. Mr S requires level access within the property.

- Under the current housing Allocations policy Mr S would be rejected due to his financial situation being over the capital threshold. Given Mr S's circumstances, an exceptions to policy report would most likely be considered due to his medical requirements to move.
- Under the agreed policy, the council assesses Mr S's housing need and medical evidence, and award him 30 medical points, if an Exceptions to Policy is granted – this will enable Mr S to bid for sheltered housing.
- Under the revised Allocations policy, the council assesses Mr S's housing need and medical evidence, and award him 30 medical points, no Exceptions to Policy would be required due to the lack of capital threshold.
- Mr S requires adaptations including level access. The data gathered shows that Mr S would struggle to obtain privately owned supported housing with adaptations within the Borough. Mr S would also have difficulty to secure private rented supported housing as there are limited schemes within the Borough that he can afford. Mr S will likely rely on the housing register for suitable housing despite £300k of capital.

Scenario 2

Ms A has applied to the councils Housing Register. She is single, aged 65 and advises that she wishes to move into supported accommodation. Ms A currently resides in a 2 bedroomed privately owned property. Ms A advises that she owns the property and that she has approximately £650,000 capital. Ms A's bathroom is on the first floor and the kitchen on the ground floor. Ms A is unable to safely navigate the stairs due to worsening health conditions, and is hard of hearing. Ms A requires level access within the property.

- Under the current housing Allocations policy, Ms A would be unable to access the housing register, and would be advised to make her own private arrangements due to her financial circumstances.
- Under the agreed housing allocations policy, Ms A would be able to access the housing register. It would be likely that the council assesses Ms A's housing need and medical evidence and award her 30 medical points.
- Under the revised allocations policy, with an implemented capital threshold, Ms A would be unable to access the housing register, and would be advised to make her own private arrangements due to her financial circumstances. Ms A has significant capital in comparison to Mr S. Ms A's financial situation is significant enough for her to resolve her housing situation, by either adapting her current property or moving to more appropriate housing as there is the financial resource to do so.

The scenarios here highlights the benefits of a capital threshold, to limit the applications to register for those who have a housing need and are unable to financially resolve their current housing situation.

Recommendations

- HSMT to provide feedback on the report and findings.
- HSMT to consider the recommendation that a capital threshold of £400,000 should be implemented into the Housing Allocations policy approved by Cabinet in November 2021. It is felt that this figure is rational and proportionate given the data obtained which reflects the housing situation in the Borough. However, advice and guidance is welcomed on this figure from HSMT.
- It is recommended that the capital threshold should be revisited on an annual basis, with consideration given to volume of supported housing voids and demand. This will ensure that the capital threshold remains within market rates and reflective of housing need in the Borough.
- HSMT to provide direction in terms of approvals for implementing a new capital threshold and advise as to whether this can be undertaken by Senior Officer Decision or if a Portfolio Holder Decision is required.