

Report for: **Housing & Regeneration Scrutiny Panel – 19 November 2020**
Title: **Update on the Haringey Community Benefit Society**
Report
Authorised by: **David Joyce, Director of Housing, Regeneration and Planning**
Lead Officer: **Robbie Erbmman, Assistant Director Housing**
Ward(s) affected: **All**
Report for Key/
Non-Key Decision: **Non-Key Decision**

1. Describe the issue under consideration

- 1.1. This paper provides background information on the Haringey Community Benefit Society and an update on the homes acquired and leased to date.

2. Recommendations

- 2.1. To note the report.

3. Background information

Homelessness and Temporary Accommodation in Haringey

- 3.1. Haringey Council has just under 2,900 households living in temporary accommodation provide by the Council. Most of these households consist of families who have been accepted as statutorily homeless due to the chronic shortage of affordable housing available in the borough.
- 3.2. Temporary accommodation can have negative effects on people's lives, for a number of reasons, including a lack of stability, and the sometimes low-quality of housing that is available due to the realities of the local housing market. The provision of temporary accommodation is also a significant cost to the Council's General Fund.
- 3.3. The Council has embarked on a major programme to deliver new Council housing, with an initial milestone of 1,000 new homes. This is the long-term solution to homelessness in the borough. However, in the short and medium terms, temporary accommodation will continue to be used; and this will continue to represent a cost to the Council's General Fund.

The Community Benefit Society

- 3.4. In order to address both the burden on the General Fund and the quality of housing used to for homeless households, in July 2018 the Cabinet agreed to establish the Haringey Community Benefit Society (CBS). The CBS is an independent organisation, albeit one with a close relationship to the Council. It is governed by a Board of Directors, with two of the five directors nominated by the Council.
- 3.5. The CBS allows the Council to acquire homes using retained Right to Buy receipts and lease them to the CBS who lets them to homeless households nominated by the Council. These leases last for seven years with the properties

returning to the Council's HRA at the end of this period, thus increasing the Council's housing stock

- 3.6. The additional income generated from this lease helps the Council secure higher quality homes in, or near, the borough; it also ensures that these homes are let at levels which are affordable to households in receipt of Housing Benefit.

The tenancies

- 3.7. The CBS has a Nomination Agreement with the Council which requires it to only let its properties to households nominated by the Council to provide temporary accommodation or a settled home. Where the CBS lets homes as a settled home, tenants are offered two-year tenancies which will then become periodic tenancies until the end of the lease. This contrast favourably with the tenancies offered in the private sector in both length, quality of accommodation and rent levels.
- 3.8. The Council requires the CBS to let these properties out at rents which are affordable to those on benefits, that is, at the applicable Local Housing Allowance (LHA) rate or less. As the CBS's lease charges are based on the LHA, rents were set at 2019 LHA until 2019 and then temporarily increased to the 2020 LHA in April 2020 before being lowered to the 2019 LHA plus the Consumer Price Index of 1.8% backdated to April 2020 for tenants housed on the basis of 2019 LHA. This reduction was made possible by the Council's offer to reduce the CBS's lease charges

Properties leased to date

- 3.9. The Council is currently leasing 134 homes to the CBS with another 20 expected to be added in November/December. The CBS has also allowed the Council to purchase 21 modular units which will provide additional homes for former rough sleepers by the end of the year.
- 3.10. The 134 properties leased to date are comprised of the following sized homes:
- 22 one-bedroom homes
 - 86 two-bedroom homes
 - 19 three-bedroom homes
 - 7 four-bedroom homes
- 3.11. To date the Housing Revenue Account has spent £46,668,500 on the properties which have been leased to the CBS with 30% of these costs being met by retained Right to Buy receipts.

4. Contribution to strategic outcomes

- 4.1. These workstreams support the Housing Priority of the Borough plan and in particular objective 2b) 'where temporary accommodation can't be avoided, improve the experience of homeless families and minimise costs by reducing the Council's reliance on providers of nightly paid emergency accommodation'.

5. Use of appendices

- 5.1. None.

6. Local Government (Access to Information) Act 1985

None