

THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA
HOUSING AND PROPERTY SCRUTINY COMMITTEE
REPORT BY THE HEAD OF HOUSING
ANNUAL LETTINGS PAPER 2010/11

This report details the annual lettings figures for socially rented housing in the Royal Borough. It is presented to Scrutiny Committee for information.

FOR INFORMATION

1. Introduction

- 1.1 The purpose of this report is to break down the annual social rented lettings made available to the Council in the Royal Borough for 2010/2011, to identify any trends compared to lettings figures of previous years, and to analyse the reasons for these trends.

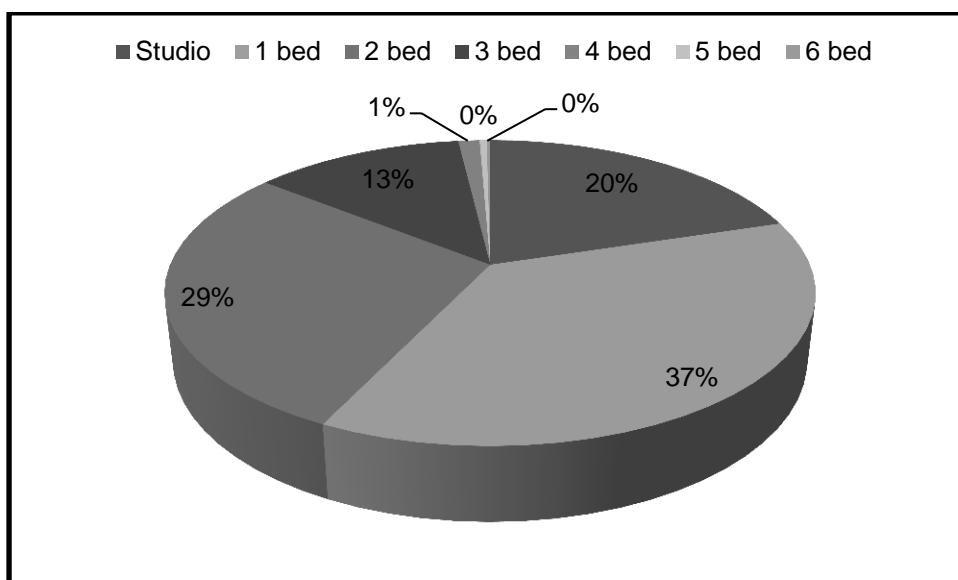
2. Annual Lettings for 2010/11

- 2.1 A total of 473 properties were let in 2010/11, compared to 556 lettings 2009/10, which represents a 15 per cent drop in lettings. This figure is broken into the bedroom size of each property and the split of lettings between Kensington and Chelsea Tenant Management Organisation (the TMO) and Registered Provider (RP) landlords in the table below. Also included are the letting figures for 2010/11 for comparison.

Table 1 - Total lettings 2010/11

Size	Total 2010/11	TMO lettings 2010/11	RP lettings 2010/11	Total 2009/10
Bedsit	96	53	43	151
1 bed	175	99	76	169
2 bed	135	62	73	157
3 bed	58	27	31	67
4 bed	6	4	2	12
5 bed	2	2	0	0
6 bed	1	0	1	0
Total	473	247	226	556

Chart 1 - Lettings by size of property 2010/11



3. Trends in the lettings figures for 2010/11

3.1 One bed and studio properties

The table shows 57% of the total properties let were either a studio or one bedroom property. This is very similar to 2009/10, when 58% of the total properties let were of this size.

3.2 Given the nature of the social housing stock in the borough, this number of lettings to these smaller properties is reflective of the total holdings. Of all the social housing stock in the borough, 50% is either a studio or one bedroom property, as the table below shows.

Table 2 - Total social housing stock (RP and TMO)

Property size	Studio	1	2	3	4	5	6	Total
Total Social Housing Stock	2488	6849	5835	2914	591	32	4	18713

3.3 It is worth noting that within those registered on the Common Housing Register there are a number of applicants registered for accessible properties. In the borough, we have a very limited number of accessible properties and therefore there is a mismatch between the stock available and the suitability of the stock for those registered for rehousing. This is a particular problem for one bedroom properties.

3.4 Properties with two or more bedrooms

A total of 202 units were let which had 2 or more bedrooms. This is a decrease from 236 properties let last year of this size. However, as a portion of the total lettings, this is similar to 2009/10, at over 42% of all lettings were to properties of 2 or more bedrooms.

3.5 The number of larger size units continues to be proportionally small, with only 14 % of lettings to properties of three or more bedrooms in 2010/11 (which is consistent with the percentage of lettings of three or more bedroom units in 2009/10).

- 3.6 Further analysis of the data for 2010/11 shows that within the borough there are differences in regards to the locations of lettings of larger properties. The larger units tend to be located in the north of the borough, with 68% of all in borough lettings to properties over 2 bedrooms were in the north of the borough. A higher proportion of these were let in the north of the borough and this is primarily due to the nature of the housing stock with large purpose built estates in the north of the borough, compared to a higher proportion of converted street properties in the south of the borough.
- 3.7 This year's lettings figures show a letting to one of the four 6 bedroom properties in the borough, although there has been a reduction in the number of units with 4 or more bedrooms let in 2010/11 by a quarter from the previous year's figures, from 12 to 9.

Table 3 - Bedroom size required for those who are registered on the Common Housing Register

	Studio	1	2	3	4	5	6	Total
CHR registered number of bedrooms required	3783	798	1980	816	176	30	8	7591
Total lettings 2010/11	96	175	135	58	6	2	1	473

- 3.8 Types of households housed
We let 28% of our properties to homeless households, and the remaining properties to those in housing need as identified through the Common Housing Register (for example transfers, care leaves and those leaving Supporting People services) , or those registered for sheltered housing or under-occupying their home. This is a reduction in lettings to homeless households from 2009/10, when 34% of properties were let to homeless households.
- 3.9 In the last year, 106 properties have been directly offered to households and were not allocated through choice based lettings. The bulk of these were to those who needed to move urgently and those who were decanted from the Housing Association Leasing Scheme properties (HALS) with rents above the Housing Benefit Local Housing Allowance Cap. We have freed up some of our medium and high needs support units through offering direct offers to those occupying low level services that no longer need it, and are in work. By generating move on, 27 people have moved into social housing and the void supported unit let to someone requiring the support service.
- 3.10 Lettings by landlord
The split of lettings in 2009/10 were 52% from the TMO and 48% from RPs. This is broadly consistent with previous years.
- 3.11 As with the previous year's lettings figures, a higher proportion of lettings are from the TMO rather than RPs, despite there being more RP properties in the borough. This is because of the nomination agreements with RPs which means we do not have access to all their voids, unlike the TMO. There have been 10 TMO transfers this year, but the Council has received a void as a result of the moving tenants.
- 3.12 The regeneration of Catalyst's Wornington Green Estate has had an impact on lettings this year. It was necessary to decant the existing

tenants from Wornington Green. Catalyst therefore provided no lettings this year at Wornington Green, and used some of the RP lettings (with agreement from the Council) to complete the decanting programme. There is an agreement between the Council and Catalyst to receive lettings which have been lost as a result of the decanting at Wornington Green over the next ten years.

3.13 Out of borough lettings

A total of 57 of the 473 properties let last year were out of the borough. Of the out of borough lets, 94% (54 units) were properties with two or more bedrooms (whereas in 2009/10 only 78% or 32 new lettings were to properties of two bedrooms or more).

3.14 A total of 17 units with 3 bedrooms or more were let outside the borough, which equates to over a quarter of all properties let with three bedrooms or more. Letting properties outside the borough continues to be challenging, as the majority of applicants prefer the option of local housing. All available out of borough properties were let through Choice Based Lettings except one.

4. Trends in social housing lettings over the last 5 years

4.1 Although it is difficult to predict the lettings that will be made each year, on average there are 490 lettings a year, as shown in Table 4, whilst there are over 7,500 households registered on the Common Housing Register.

Table 4 – Social Housing Letting Figures for the past 5 years

	2006/ 07	2007/ 08	2008/ 09	2009/10	2010/11
Total no. of lettings to RBKC	538	388	491	556	473

4.2 There are two key reasons why there is a low number of lettings each year:

- There is limited movement within the social rented sector in the borough. The annual turnover rate within the social rented sector in the Royal Borough is 2.2%, which is below the London average of 5.2% and England average of 7.7% (Strategic Housing Market Assessment 2009). There is limited opportunity for tenant mobility to other areas (particularly given affordability issues in the Royal Borough), and as a result, there is greater tenant recognition of the value of a secure or assured tenancy.
- This is a small and densely built borough, with limited opportunity to build, which means the social housing supply is not increasing year on year at a rate which would be noticed in the annual lettings figures. New lettings, both in and out of the borough, to which we have nomination rights, cannot be predicted, given the reliance on the market to build in the borough, the current economic conditions and new funding regime for social housing development, making new developments hard for the private sector to bring forward.

- 4.3 The table below shows the number of lettings to new builds over the last 5 years and the split of these lettings between in borough and out of borough.

Table 5 – Lettings to new affordable housing units over the last 5 years

	1 bed	2 bed	3 bed	4 bed+	Total	In borough	Out of borough
2006/7	12	65	17	3	97	44	56
2007/8	4	21	3	0	28	0	28
2008/9	11	25	17	4	57	26	31
2009/10	2	17	4	2	25	10	15
2010/11	9	38	10	1	58	0	58
TOTAL	38	166	51	10	265	80	188

5. Encouraging mobility and increasing supply in the Royal Borough

5.1 Changes in national social housing policy

The key objective behind the proposed social housing reform is: 'Localism, fairness and focusing social housing on those most in need in a way that enables them to use it as a springboard to opportunity'¹. This will be done through a better use of existing social housing, creating a more flexible system of social housing and increasing the freedoms available to all social landlords and local authorities to determine the sort of tenancy they grant to new tenants. Powers over housing decisions will be placed in the hands of local authorities regarding length of tenancies, allocating social housing and ending homelessness duty through more flexible means.

5.2 New Allocations Policy

In May 2011, a new Housing Allocations Policy was implemented, which tightens the definitions of household (to exclude non-dependent adults over the age of 21), gives a more transparent and simpler pointing system (to award priority and to demonstrate to those with low or no housing need that they are unlikely to be rehoused) and changes the levels of priority to focus on moving those who are under occupying and helping those who are severely overcrowded (which is a particular problem in the borough).

6. Summary

- 6.1 The report summaries the annual social rented lettings made available to the Council in the Royal Borough for 2010/2011, which are similar to previous years as the report identifies. Changes to social housing, some of which will impact over the next 12 months, could see a change in lettings trends for next year.

FOR INFORMATION

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¹ DCLG *Local decisions: a fairer future for social housing* p17

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Background Papers used in the Preparation of this Report: None

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