

<b>ADULTS AND COMMUNITIES SCRUTINY COMMITTEE</b>	AGENDA ITEM No. 7
<b>12 SEPTEMBER 2017</b>	<b>PUBLIC REPORT</b>

Report of:	Service Director for Communities and Safety	
Cabinet Member(s) responsible:	Councillor Irene Walsh, Cabinet Member for Communities	
Contact Officer(s):	Sean Evans, Housing Needs Manager	Tel. 01733 864083

**HOMELESSNESS AND HOMELESSNESS PREVENTION**

R E C O M M E N D A T I O N S	
<b>FROM:</b> <i>Service Director for Communities and Safety</i>	<b>Deadline date:</b> <i>N/A</i>
<p>It is recommended that Adult and Communities Scrutiny Committee:</p> <ol style="list-style-type: none"> <li>1. Consider, scrutinise and comment on the contents of the report</li> <li>2. Agree the proposed amendments to the Housing Allocations Policy</li> <li>3. Agree to the request from Cllr Peter Hiller for the committee to form a Task and Finish Group to support the development of a new homelessness reduction strategy as mentioned in paragraph 4.47</li> <li>4. Agree to the Terms of Reference for the Task and Finish Group as stated in paragraph 4.49</li> </ol>	

**1. ORIGIN OF REPORT**

1.1 The report is submitted to the Adult & Communities Scrutiny Committee to provide an update on the levels of homelessness and homelessness prevention taken by the Housing Needs team in 2016/17.

**2. PURPOSE AND REASON FOR REPORT**

2.1 To provide an update to the committee on the work undertaken and challenges the Housing Needs Team have encountered over the previous year.

2.2 This report is for Adult & Communities Scrutiny Committee to consider under its Terms of Reference Part 3, Section 4 - Overview and Scrutiny Functions, paragraph No. 2.1 Functions determined by Council: 4. Neighbourhood and Community Support.

2.3 This report links to the following corporate priorities:

- Keeping our communities safe, cohesive and healthy
- Safeguarding children and vulnerable adults

2.4 How does this report link to the Children in care Pledge?

N/A

### 3. TIMESCALES

Is this a Major Policy Item/Statutory Plan?	<b>NO</b>	If yes, date for Cabinet meeting	
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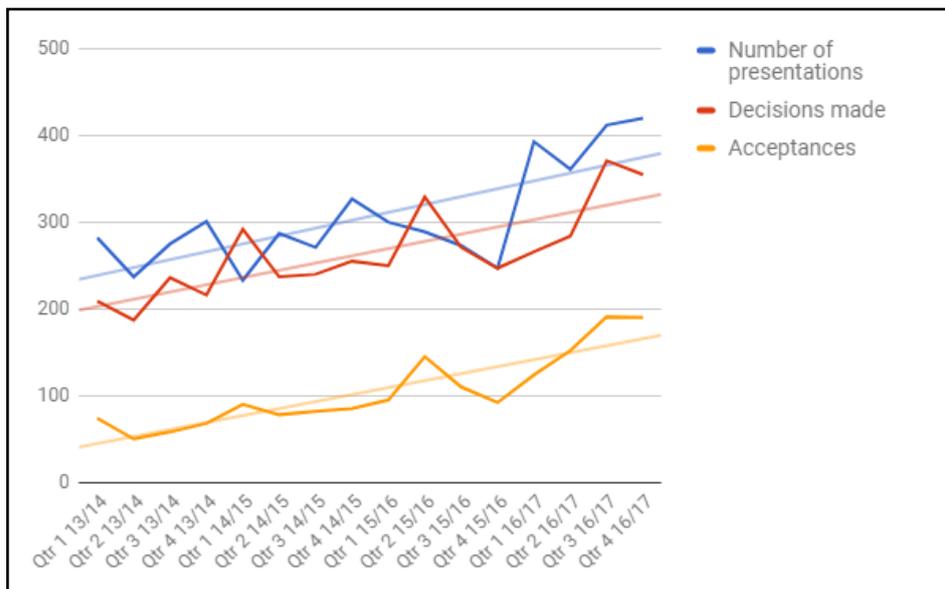
### 4. BACKGROUND AND KEY ISSUES

#### 4.1 Demand for Services

4.2 The last year has been particularly challenging for the Housing Needs Team. In the period April 2016 - March 2017 the Council saw increasing levels of households presenting to the Council for assistance as they were homeless or threatened with homelessness. 1586 households presented to the Council as it was confirmed that they may be homeless or threatened with homelessness within the next 28 days. This represented an increase of 43% when compared to the previous year when 1109 presentations were made.

4.3 Where a homelessness presentation is made to the Council and we are satisfied that the household may be homeless and eligible to make an application for assistance this triggers a duty upon the Council to investigate whether the household is owed a full housing duty and is "Accepted as Homeless". This further investigation confirms the household is homeless or threatened with homelessness, takes into account any vulnerabilities of members of the household, the reasons for them becoming homeless and determines whether they have a connection with the City.

4.4 The graph below shows the number of homelessness presentations, decisions made and numbers of households accepted as homeless each quarter for the last 4 years:



#### 4.5 The Full Housing Duty

4.6 While investigating whether a full Housing Duty is owed, if the client has no accommodation available for their occupation, the Council is under a duty to provide emergency temporary accommodation to the household. If on conclusion of the investigations it is determined that a full housing duty is owed, temporary accommodation must continue to be made available until we are able to find and secure suitable permanent accommodation.

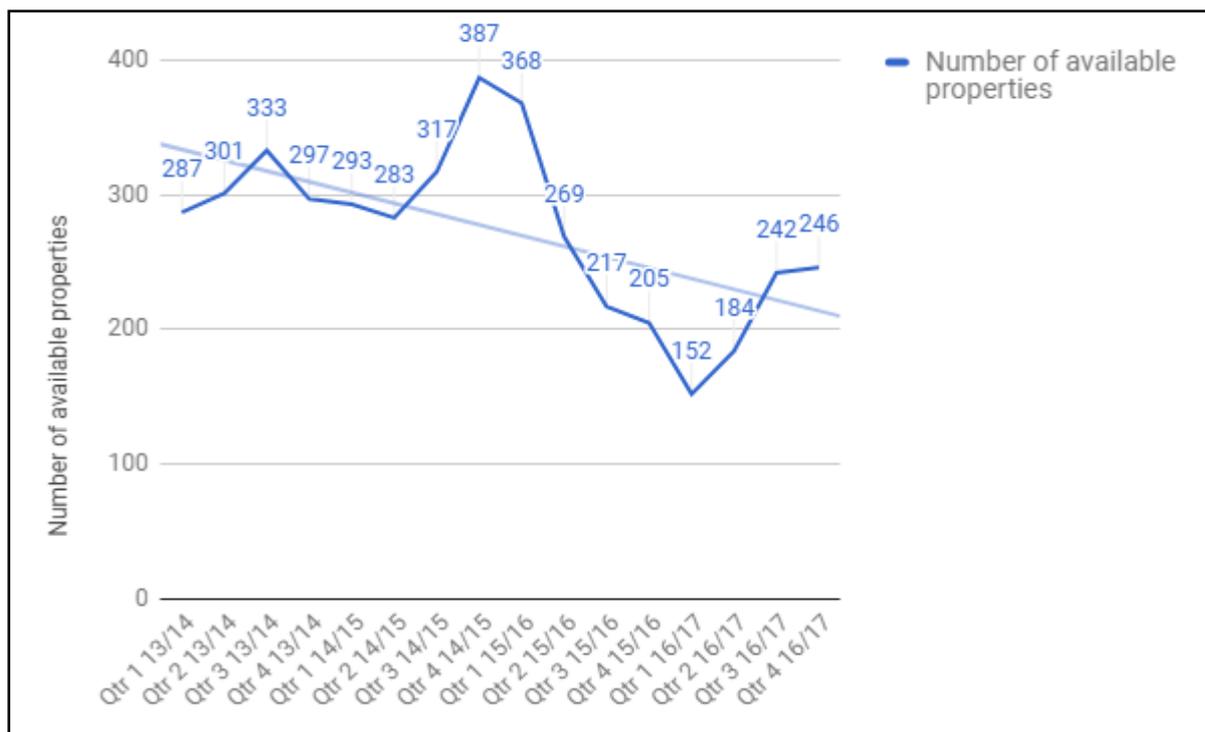
#### 4.7 **Temporary Accommodation**

- 4.8 Traditionally the Council used hostel accommodation to house homeless households while investigations were ongoing and until suitable permanent accommodation was secured. Where hostel accommodation used was fully occupied B&B type accommodation was used as a short term emergency placement until a hostel vacancy could be secured.
- 4.9 B&B type accommodation is only meant as a short term option, but as the numbers of households presenting to the council has been increasing use of this type of accommodation has increased as no alternative accommodation options were available.
- 4.10 In recognition of the increases in demand the Council has taken steps to reduce the use of B&B type accommodation by securing use of alternative self-contained temporary accommodation options at St Michael's Gate (leased accommodation from a private accommodation provider) and bringing Elizabeth Court back into use in partnership with Cross Keys Homes. Along with the Hostel accommodation owned and managed by Cross Keys Homes, when fully available, this increases the contracted provision to 216 units of available temporary accommodation.
- 4.11 While this has and will continue to go some way to supporting the increased level of need, this does not remove the need for use of B&B type accommodation. Forecasts based on levels of demand and supply seen last year indicate that continued increased numbers of presentations will mean that we are likely to need to utilise B&B type accommodation for some time to come.
- 4.12 As well as being unsuitable accommodation for households over a prolonged period B&B accommodation is a costly option for the Council. The minimum costs for B&B accommodation is around £390 per week per room. The maximum that the Council can recover from Housing Benefit subsidy for B&B use is £92 per week leaving a shortfall of £298.
- 4.13 Forecasts based on last years demand, which for the first 3 months of 2017/18 seem to be on par with last year, indicate that by the end of this financial year, even with St Michael's Gate and Elizabeth Court being fully utilised, there will still be a need for around 110 households to be accommodated in B&B type accommodation.
- 4.14 If there are no changes in current demand levels and levels of supply of permanent accommodation it is forecast that this number will increase by between 90 and 100 households per year.
- 4.15 Significant amounts of work are ongoing with colleagues in Growth & Regeneration to identify and secure alternative temporary accommodation solutions, which can be brought into use in order to support the forecast demand. These options may include the Council investing in vacant units of accommodation, which with a change of use could be converted for use as residential accommodation.

#### 4.16 **Supply of Accommodation**

- 4.17 Generally, those households to whom the Council accepts a full housing duty will be allocated accommodation with a social landlord. The Council has arrangements with 10 housing associations in the city to allocate its vacant properties through the Peterborough Homes Choice based lettings scheme. The common allocations policy was developed to ensure that households who are accepted as homeless and therefore owed a full housing duty are given high priority in order to assist them with a prompt move into suitable permanent accommodation.
- 4.18 In addition to the Housing Register the Localism Act 2011 gave local authorities the power to discharge the full housing duty by securing suitable accommodation in the private sector. Previously the combination of these 2 options has been more than sufficient in meeting both the demand from households who have presented to the Council as homeless and those living in unsuitable housing allocated through the Housing Register.

4.19 Unfortunately while the demand from households requiring assistance has been increasing the availability of permanent accommodation options has been decreasing. The graph below shows the number of properties, which have been made available for allocation from our partner housing associations through the choice based lettings scheme:



4.20 The Council has previously been successful in utilising the private sector in preventing homelessness and discharging its homelessness duties; however recent increases in rental costs of private sector accommodation while local housing allowance rates have been frozen, has meant that the majority of properties available in the private sector are no longer affordable for those households that are reliant on benefits to cover or assist with rents.

4.21 In addition there appears to be an increasing reluctance from some landlords to accept households who will be in receipt of any support with Housing Benefits and Universal Credit. This is mainly as these benefits are paid in arrears and if any issues arise meaning benefits are suspended or reduced, landlords are already out of pocket making it more difficult to manage.

4.22 Changes to taxation rules, which mean that landlords are now unable to deduct mortgage interest costs from their profits before paying tax, has meant that some landlords with smaller portfolios no longer see this as profitable and are selling their properties. The opportunity for us to discharge homelessness duties or to utilise the private sector to prevent households' homelessness is now few and far between.

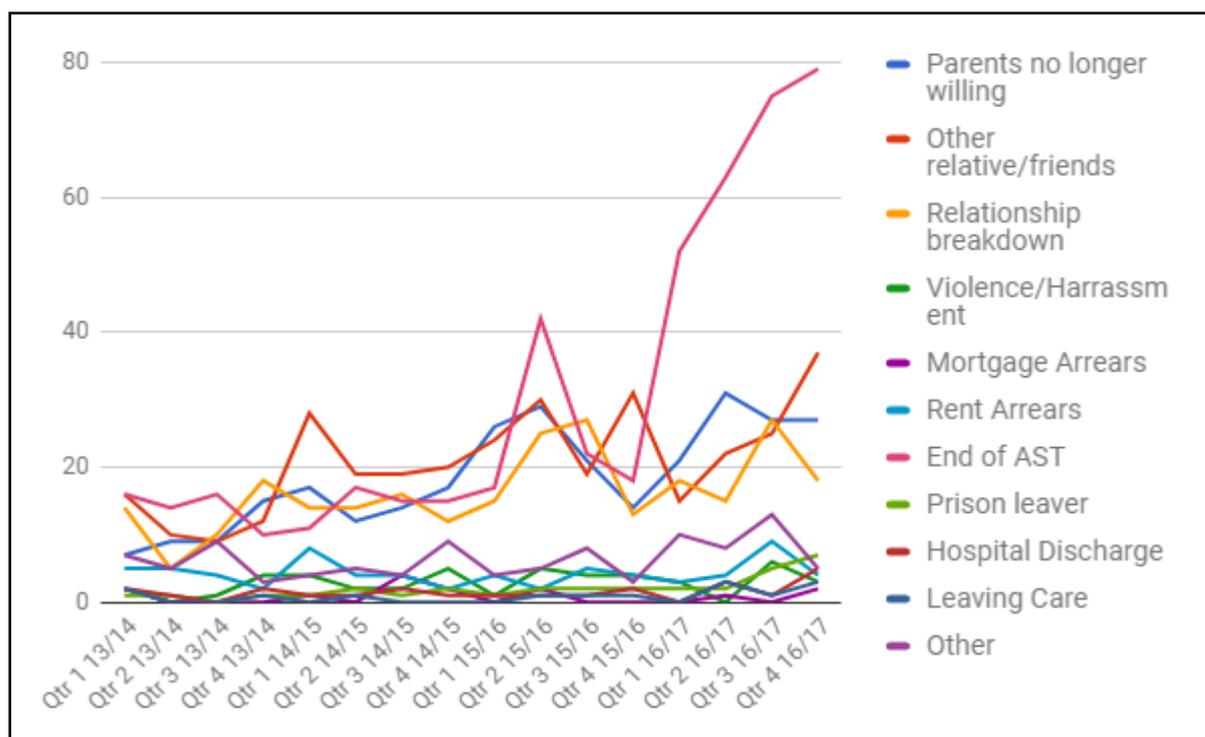
4.23 The increase in use of temporary accommodation, while partly down to the increase in the number of households approaching us for assistance, is being exacerbated by the supply of accommodation reducing at the same time effectively producing a bottleneck in temporary accommodation.

4.24 **Reasons for Homelessness**

4.25 Traditionally the main reason for households becoming homeless has been due to relationship breakdown and parents or friends and family no longer willing to accommodate households while they secure a suitable permanent accommodation solution through the housing register/choice based lettings or the private sector.

4.26 More recently however, as described earlier in the report, there has been a reduction in the availability and accessibility of the private sector. This has resulted in there being a significant

shift in the main reason for homelessness. The number 1 reason for homelessness in Peterborough mirrors the national picture in that households' private sector assured shorthold tenancy being ended is now the main reason for households becoming homeless. The graph below shows the main reasons for homelessness over the last 4 years:



#### 4.27 Homelessness Prevention & Homelessness Trailblazer

4.28 The Housing Needs team continues to be proactive in the prevention of homelessness where the opportunity arises and officers in the team adopt a problem solving approach when presented with households at risk of homelessness in the near future. The primary aim of all preventative work is to support households to remain in their current accommodation or to find alternative accommodation prior to them having to leave the address they had been residing at.

4.29 While some success is still being made in this area prevention is becoming increasingly more difficult as alternative accommodation options are more difficult to access or prevention is not a viable option as the threat of homelessness is related to landlords seeking possession of properties for business reasons and not tenant related issues.

4.30 Recently the Council in partnership with the other Cambridgeshire authorities was successful in a bid for trailblazer funding to the Department of Communities and Local Government (DCLG). The DCLG were providing £20 million of grant funding nationally across 2016/17, 2017/18 and 2018/19. Local authorities were invited to bid either singularly or in collaboration in order to give local authorities the resources to ramp up prevention activities and take new approaches to reduce homelessness, including:

- collaborating with other services to identify at-risk households, and target interventions well before they are threatened with eviction
- helping people earlier than the statutory 28 days when they are threatened with the loss of their home
- offering that help to a wider group of people than just those owed the main homelessness duty
- testing new, innovative approaches to preventing homelessness to help us build our evidence base on what works and test the effects of these approaches in different areas

4.31 Peterborough were successful with a joint bid in partnership with the other Cambridgeshire authorities under the trailblazer funding category to support tackling three of the largest issues we are facing currently:

- Early intervention - The creation of a homelessness prevention hub, which will allow landlords and other agencies to highlight households at potential risk of homelessness. Referrals will be handled by a multidisciplinary team who will work collaboratively including with the client to formulate client-specific action plans in order to prevent their homelessness arising
- Supply - investigating and and developing initiatives to work with private sector landlords in taking over the management of their properties. These properties would then be utilised by the host authority to support households who were owed a homelessness duty.
- Main Cause of Homelessness - creation of a private landlord liaison service. This would support landlords who were experiencing issues with current tenants and were contemplating taking eviction action. By acting as a mediator the aim of the service would be to resolve the issue in order to prevent the landlord from having to take eviction action.

4.32 Fenland District Council are the host authority for the bid; recruitment to 7 posts has recently been completed and the newly recruited post holders are actively working to promote the projects across the combined area and have started to receive referrals.

4.33 In addition to the initiative detailed above we have recently secured additional short term investment in the Housing Needs Service to increase staff levels in the team to work specifically on supporting households at the earliest point of presentation to the service in an attempt to prevent them from losing their accommodation. Recruitment to these posts is currently in progress and it's hoped that the posts will be filled by the end of October 2017.

#### 4.34 **Housing Allocations Policy**

The Peterborough Homes allocations policy was last updated in 2014 and was amended significantly to reflect changes in demand, legislation and new powers following the Localism Act.

4.35 Since the changes were implemented, Peterborough along with many local authorities has seen an increase in demand from households who are homeless or threatened with homelessness. At the same time changes to the bedroom standards policy driven by the removal of spare room subsidy has pushed additional demand on smaller 1 & 2 bedroom dwellings.

4.36 The impact of both of these pressures has meant that households who have presented to the Council as homeless have been provided with temporary accommodation and have been staying in the accommodation for longer.

4.37 With this in mind discussions between the Council and the partner Housing Associations have taken place and have made a number of recommendations, which if agreed and implemented should go some way to alleviate some of the pressures we are facing.

The recommendations are as follows:

1. **Under occupation** - To allow households with a 2 bedroom need, with 2 children, who are working and will not be affected by the removal of the spare room subsidy to express interest in and be housed in 3 bedroom accommodation.
2. **Additional Preference** - As demand for accommodation has grown it has become apparent that households to which the Council owes a full housing duty but who do not have additional preference through a strong local connection, face the prospect of not being successful for

an allocation of accommodation as they are always considered after a household who do. It is proposed that a category for accepted homeless households who have been accepted for at least 3 months is added as an additional preference category.

**3. Refusals and non-attendance at viewings** - The demand for accommodation is now so great that we now no longer have the luxury that we are able to give applicants extensive choice when it comes to allocations. Applicants are currently permitted to refuse up to 3 offers of accommodation before they are penalised. It is proposed that this be reduced to 2 offers for general applicants. No change is proposed for applicants who are accepted as homeless, they must still accept the 1st offer of suitable permanent accommodation.

**4. Number of bids** - Currently applicants are able to bid on up to 3 properties per week. They could also shortlist for up to 3 properties per week. This has often resulted in delays in lettings and some applicants bidding for properties without any knowledge of the area the property is located in as they face no penalty. It is proposed that the number of bids applicants can place be reduced from 3 to 1. This should encourage applicants to review all properties in more detail and to place their bids on properties they are really interested in securing.

#### 4.38 **Upcoming Challenges**

The 1st quarter of 2017/18 has been similar to 2016/17 in terms of the number of households presenting to us for assistance and the number of properties available through the Choice Based Letting Scheme. The following challenges will come about in the coming months and are likely to have a further impact on levels of homelessness and the number of households who will be approaching the Council for assistance.

#### 4.39 **The Full Rollout of Universal Credit (UC)**

In November 2017 Universal Credit will be rolled out to include all new benefit claimants and those currently in receipt of benefits who have a change in circumstances. The main changes for households include:

- Integration of six core benefits and tax credits into a single payment. The claims processes for different benefits will be integrated and households will receive just one payment.
- A shift away from a mix of weekly, fortnightly, four-weekly and monthly payments to a standard monthly payment.
- A new 'fixed' monthly assessment system that will replace the annual 'flexible' assessment period for tax credits, with payment monthly in arrears.
- Payment of Housing Benefit to social tenants rather than direct to the social landlord.
- Introduction of a single recipient model where the award is paid into one bank account.

#### 4.40 **The Homelessness Reduction Act**

4.41 After recently receiving Royal Assent we have now received formal notification that the Homelessness Reduction Act will be implemented from April 2018.

4.42 The main thrust of the Act is to refocus English local authorities on efforts to prevent homelessness. While many authorities already do this, it would become a duty to prevent as opposed to the current duty to assist when homeless. The Act amends Part 7 of the *Housing Act 1996*. Its measures include:

- An extension of the period during which an authority should treat someone as threatened with homelessness from 28 to 56 days.

- Clarification of the action an authority should take when someone applies for assistance having been served with a section 8 or section 21 notice of intention to seek possession from an assured shorthold tenancy.
- A new duty to prevent homelessness for all eligible applicants threatened with homelessness.
- A new duty to relieve homelessness for all eligible homeless applicants.
- A new duty on public services to notify a local authority if they come into contact with someone they think may be homeless or at risk of becoming homeless.

- 4.43 The Act will have an impact on the delivery of services and will have a resource impact. While we currently offer advice and assistance to all households who are homeless or threatened with homelessness, for those who are not in priority need our duty currently ends after we have given advice on how the applicant can secure accommodation themselves.
- 4.44 The changes require us to formulate and work through an action plan with each applicant. This action plan would be owned by the advisor and the applicant and if followed effectively should result in the applicant not becoming homeless or being assisted in securing alternative accommodation before they have to leave their current home.
- 4.45 Where successful this would prevent the need for costly emergency accommodation and would have significant benefits in reducing upheaval for families who are faced with homelessness. However, as detailed earlier in this report the significant shortage of available accommodation both in the social and private sector will mean for certain households the chances of us securing alternative accommodation prior to a household becoming homeless is reduced.
- 4.46 In addition to the additional resource implications required to meet these additional burdens, there is likelihood that in order to be successful in preventing homelessness, we would need to have the ability to offer financial assistance to households in order to reduce arrears. While we offer this currently this would be extended to non-priority groups. The government have confirmed the availability of additional funds to support councils to meet these new duties, and we anticipate confirmation of this and the amount available during the autumn.
- 4.47 With the future challenges detailed in mind the lead Cabinet Member for this area, Cllr Peter Hiller, has asked that a new Homelessness Reduction Strategy and Action Plan be produced for this council. He has further indicated that it would add significant value if this strategy and plan could be worked up in collaboration with a cross party working group to ensure all perspectives are considered.
- 4.48 It is therefore recommended that the committee agree to create a Task and Finish group to work alongside officers to develop a new Homelessness Reduction Strategy.
- 4.49 It is also recommended that the following terms of reference for the Task and Finish group are agreed:

#### **Purpose**

The group's primary focus would be to develop a new draft Homelessness Reduction Strategy for presentation back to Scrutiny Committee. The strategy will build on the Council's existing Homelessness Prevention Strategy and position us well to manage the full impacts of homelessness and prepare for the broader responsibilities we will assume when the Homelessness Reduction Act becomes live in April 2018.

## Scope of the Review

1. To consider the existing and previous Homelessness Prevention strategies to determine what impacts actions have had, and what learning exists to influence the new strategy.
2. To consider similar strategies developed by other similar councils to identify good practice that may be transferrable to Peterborough.
3. To consider similar strategies developed by the district councils across Cambridgeshire to identify if there are any benefits in collaborating on all or some actions.
4. To take into account national research and models of good practice promoted by relevant agencies, e.g. Shelter.
5. To take into consideration the Homelessness Reduction Act to determine the impacts it will have on delivery of homelessness prevention and reduction activity in Peterborough.
6. To identify and meet with expert witnesses to help inform discussions and recommendations.

## Reporting

The Task and Finish group will report to the Adults and Communities Scrutiny Committee. The draft strategy will form part of the Council's major policy framework and will therefore need to be debated and approved at Full Council. The new Act becomes live in April 2018 and so it is envisaged that approval for the new strategy will be obtained prior to this date.

### 5. CONSULTATION

5.1 Not applicable.

### 6. ANTICIPATED OUTCOMES OR IMPACT

6.1 It is hoped that the committee agreeing to the recommendations contained in this report will enable officers to work towards reducing demand on homelessness services and in turn reduce demand on temporary accommodation need and increasing costs associated with it.

### 7. REASON FOR THE RECOMMENDATIONS

7.1 To improve service provision for clients as well as alleviating demand on services.

### 8. ALTERNATIVE OPTIONS CONSIDERED

8.1 Not Applicable

### 9. IMPLICATIONS

#### Financial Implications

9.1 Increases in resource to support the Housing Needs Team have been agreed. There may be future capital investment required in temporary accommodation and permanent accommodation provision.

#### Legal Implications

9.2 N/A

#### Equalities Implications

9.3 N/A

## **Rural Implications**

9.4 *N/A*

### **10. BACKGROUND DOCUMENTS**

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

10.1 *N/A*

### **11. APPENDICES**

11.1 *N/A*