

# **ADULTS AND COMMUNITIES SCRUTINY COMMITTEE**

## **TASK AND FINISH GROUP**

### **DEVELOPMENT OF A NEW HOMELESSNESS REDUCTION STRATEGY**

**13 MARCH 2018**

## **Report of the Task and Finish Group**

### **CONTENTS**

|  | <b>Page No.</b> |
|--|-----------------|
| 1. Introduction  | 3               |
| 2. Summary of Recommendations  | 5               |
| 3. Terms of Reference  | 6               |
| 4. Process and Methodology used for the investigation                            | 7               |
| 5. Background  | 8               |
| 6. Findings and Conclusions  | 11              |
| 7. Recommendations   | 13              |
| 8. Financial Implications  | 14              |
| 9. Legal Implications  | 14              |
| 10. List of background papers and research sources used during the investigation | 14              |

## 1. INTRODUCTION

At its meeting on 12 September 2017, the Adults and Communities Scrutiny Committee recommended that a cross-party Task and Finish Group be established to assist in the development of a new Homelessness Reduction Strategy. The final report with recommendations to be presented back to the Committee on completion of a draft Homelessness Reduction Strategy.

The Committee agreed the terms of reference at the meeting and the Senior Democratic Services Officer sought possible nominations to the Task and Finish Group to be confirmed following the meeting through the Group Secretaries.

The cross party Task and Finish group comprised the following members:



Chairman  
Cllr Stephen Lane  
Independent  
Werrington Ward



Cllr Asif Shaheed  
Liberal Democrat  
Paston & Walton Ward



Cllr June Bull  
Conservative  
Orton Longueville Ward



Cllr Stuart Martin  
Labour  
Bretton Ward



Cllr John Whitby  
UKIP  
Fletton and Stanground Ward

Co-opted Members:



Ali Manji, Neighbourhood project manager - Cross Key Homes

Officers supporting the Task and Finish Group were:

- Adrian Chapman: Service Director: Community & Safety
- Sarah Ferguson: Assistant Director: Housing, Communities & Youth
- Sean Evans: Housing Needs Manager
- Paulina Ford, Senior Democratic Services Officer
- Joanna Morley, Democratic Services Officer

## 2. SUMMARY OF RECOMMENDATIONS

**Recommendation 1** - That the Adults and Communities Scrutiny Committee endorses the Homelessness Strategy 2018 - 2020 to be taken to Cabinet for approval and adoption.

**Recommendation 2** - That the Cabinet member for Growth, Planning, Housing and Economic Development contacts (i) the Secretary of State for Housing, Communities and Local Government, (ii) the Secretary of State for Work and Pensions, and (iii) the Local Government Association, seeking their support to amend legislation so that:

(a) the Housing Benefit element of welfare benefit payments are paid direct to landlords rather than to tenants, in an attempt to encourage more landlords to offer their properties for homeless households or those at risk of becoming homeless; and,

(b) Section 21 of the Housing Act 1988 (*Recovery of Possession on Expiry or Termination of Assured Shorthold Tenancy*) is reviewed with a view to ending its widespread use, and in its place introduce legislation that provides for greater tenancy security in the private rented sector.

### 3. TERMS OF REFERENCE

#### **Purpose**

To work alongside officers to develop a new draft Homelessness Reduction Strategy for presentation back to the Adults and Communities 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 the Council will assume when the Homelessness Reduction Act becomes live in April 2018.

#### **Scope**

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 transferable 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
7. To give particular consideration to the medium and long term solutions to homelessness and to take into account if there is a link between homelessness and the lack of affordable housing

*(as agreed at the Adults and Communities Scrutiny Committee meeting 12/09/17)*

#### **Reporting**

The Task and Finish group will report to the Adults and Communities Scrutiny Committee.

*Approved on 12/09/17 – Adults and Communities Scrutiny Committee*

## 4. PROCESS AND METHODOLOGY USED FOR THE INVESTIGATION

### 4.1 Methodology

- Questioning of Key Witnesses
- Local knowledge from members of the Task and Finish Group and Officers
- Current Legislation
- Desktop research national and Local – the following items were provided:
  - Briefing paper – Homelessness Reduction Act 2017
  - Cambridge City Interim Housing Strategy Statement 2017
  - Universal Credit presentation
  - Draft headings for Homelessness Strategy
  - East Cambridgeshire District Council Homelessness Strategy 2015 – 2018
  - National Audit Office Report on Homelessness – 8 September 2017
  - Luton Homelessness Prevention Strategy: 2016 – 2021
  - Milton Keynes Homelessness (Statutory Need) Strategy – Cabinet report – 11 July 2016
  - Milton Keynes Draft Strategy for meeting Statutory Housing Need

### 4.2 Process

The timetable of the events leading to the production of this report are set out below:

| Meeting Date     | Items Discussed / Guests Attending  |
|------------------|---|
| 16 October 2017  | Scope the Review e.g. timeframe, how the review will be undertaken i.e. research, walkabout, stakeholder engagement, key witnesses etc.         |
| 7 November 2017  | Review and discussion on information requested at previous meeting, discuss outline headings for strategy, format for questioning key witnesses |
| 21 November 2017 | Evidence gathering from key witnesses   |
| 20 December 2017 | Evidence gathering from key witnesses   |
| 31 January 2018  | Officers to present draft strategy for comment and review. Discussion regarding conclusions and recommendations                                 |
| 15 February 2018 | Final review of strategy and confirmation of conclusions and recommendations to be included in the Task and Finish Group                        |

|  |         |
|--|---------|
|  | report. |
|--|---------|

#### 4.3 Key Witnesses / Expert Advisers interviewed:

- Damien Fogg MRICS | Local Representative, National Landlords Association
- Keith Jones Chief Executive, Citizens Advice Bureau
- Simon Machen, Corporate Director for Growth and Regeneration
- Cllr Peter Hiller, Cabinet Member for Growth, Planning, Housing & Economic Development
- Jeff Austin, Peterborough Direct Manager
- Peter Carpenter, Service Director, Financial Services

## 5. BACKGROUND

### Statutory Duties

In 2002, the Government amended the Homelessness Act 2002 to ensure a more strategic approach to tackling and preventing homelessness, in particular by requiring Local Authorities to produce a Homelessness Strategy.

The Council is required to review homelessness within the area and update its Homelessness Strategy every five years.

The cross party task and finish group developed this strategy at a time of increasing rates of homelessness, both locally and nationally, as well as the introduction of the Homelessness Reduction Act due in April 2018. The strategy details our aims over the next 2 years and will be reviewed in 2020.

The Council recognises the devastating effect that homelessness can have on households and that good quality housing providing a stable and secure home environment contributes to the health and wellbeing of our residents. The strategy will address the causes of homelessness in the area; introduce initiatives to prevent homelessness wherever possible; provide sufficient suitable temporary accommodation for those households that are or may become homeless; ensure that a good supply of suitable permanent accommodation is available and appropriate support for people who have previously experienced homelessness in order to prevent it happening again.

A positive action plan has been created which sets out the goals for the future and shows that the Council is dedicated to providing the best service for its clients.



## **Methodology**

In developing the strategy the Task & Finish group has gathered evidence in order to inform the required actions and strategic aims. This information was gathered by sourcing local knowledge from the task and finish group and officers, questioning of key witnesses, reviewing current and new legislation and reviewing the strategies of similar authorities.

## **Demand for Services**

In the period April 2016 - March 2017 the Council saw increasing levels of households applying to the Council for assistance. 1586 households were presented to the Council because 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. The same three quarters of 2017 - 18 has similar levels of presentations to those of 2016 - 17.

## **Rental affordability issue increasing**

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.

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.

## **Supply of Accommodation**

Generally, those households to whom the Council accepts a full housing duty will be allocated accommodation with a social landlord.

Unfortunately while the demand from households requiring assistance has been increasing the availability of permanent accommodation options has at the same time been decreasing.

## **Rising levels of rough-sleeping**

Increases in homelessness and increases in rough sleeping generally go hand in hand and Peterborough is no different. Peterborough's last rough sleeper count/estimate, which was a

snapshot of one typical night, identified that 31 rough sleepers were sleeping out in the city. This is an increase of 48% in the last 12 months.

**Temporary Accommodation**

Increases in demand for services and a shrinking supply of permanent accommodation options has meant a bottle neck has been forming in temporary accommodation with more households going into temporary accommodation than have been leaving. This has proved both costly to the council and damaging to the households approaching us for assistance.

**Future Challenges**  
**The Full Rollout of Universal Credit (UC)**

In November 2017 Universal Credit was rolled out to include all new benefit claimants and those currently in receipt of benefits who have a change in circumstances.

**The Homelessness Reduction Act**

The main thrust of the Homelessness Reduction Act is to refocus English local authorities on efforts to prevent homelessness.

The Act will have an impact on the delivery of services and will have a resource impact. Councils 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.

The Act would legally oblige local authorities to assess and provide more meaningful assistance to all people who are eligible and homeless or threatened with homelessness, irrespective of their priority need status.

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.

**Funding for short stay supported housing**

The government intends to give councils funding responsibility for short-term supported housing schemes, such as women’s refuges and homelessness accommodation, through ring-fenced

grants and is currently consulting on its plans. Providers of these schemes have expressed concerns that the grants do not provide the same protections and rights for short-term supported housing residents as those living in long-term supported housing. It moves away from a model where service users enjoy the rights as tenants, with housing costs backed by an entitlement-based benefit system to a system of relatively short-term, scheme-based funding. This is viewed by providers as a backward-looking step and a return to an institutionalised model.

## **6. FINDINGS AND CONCLUSIONS**

### **Findings and Conclusions**

The current housing situation is complex and multifaceted, with many of the drivers for the Homelessness situation outside of the direct control of the City Council.

The city's rapid population growth over recent years, both unplanned and unexpected, has put huge pressure on housing, giving rise to higher rent. Other changes through Government legislation, such as Housing Benefits payments and the change to PIP and Universal Credit, create additional pressures, especially to those in need of social housing. This 'Perfect Storm' of issues has driven the current crisis

The Task and Finish group acknowledges that there is an increasingly complex background to the provision of housing and that with the introduction of the new Homelessness Reduction Act in April 2018 a new approach to dealing with homelessness in all its guises is required.

The development and subsequent implementation of a new homelessness reduction strategy would therefore not only build on the existing strategy to ensure that the Council met its legal obligations under the new act, but would also recommend the need for more collaborative working and preventative measures to prevent homelessness in the first instance. A more preventative approach would run alongside increasing the provision of housing to tackle immediate demands and bottlenecks in the system.

During the course of its investigations, the Task and Finish group concluded that:

- Information flows between housing providers and council teams needed to be improved so that interventions could be made before any legal recourse was taken.
- Once implemented, the Council would need to increase awareness of the strategy and the help that was available to those who were facing homelessness so that the action plans required by the new act could be put in place.

- The strategy would need to tackle the reluctance of private landlords to take on housing benefit recipients as tenants, by reducing the level of default payments that they experienced.
- With the decline in social housing supply, the lack of secure tenancy was one of the biggest problems facing tenants as most private sector rentals were on a short term basis.
- The increasing shortage of affordable homes was one of the primary causes of Peterborough's growing homelessness problem. The lack of social housing means many on low incomes rent privately with the help of benefits. As welfare reform has reduced the rents that such tenants can afford, more landlords have chosen not to renew their tenancies, instead letting to higher income households, who tend to be adult sharers rather than families.
- Without a consistent housing supply for rental accommodation, blockages would build up in the Hostel, and Bed & Breakfast accommodation provision.
- Rough sleepers are still an issue for the Council and some type of basic covered accommodation may need to be provided.
- Much of the increase in homelessness in recent years has been due to a steep rise in the numbers of non-UK nationals and single UK nationals for whom accommodation options are severely limited, as most are not entitled to the welfare benefits that could be used to cover rent.
- Rough sleepers often have complex support needs, so funding for mental health and other services is vital to supporting them off the streets and adapting to a settled lifestyle. Additionally, opportunities to access training, education, employment and enterprise initiatives need to be created.
- The Task and Finish Group noted that there had been an increase in capacity of the Housing Needs Team and hoped that this would ensure 24/7 availability of the Outreach team.
- Scrutiny and governance of the strategy needed to be put in place with regular reports being presented to cabinet and scrutiny committees to ensure that it continued to be fit for purpose and that any case-law challenges after the Act comes into force, were monitored.
- Government has stated its intention to cover the costs of additional legislative burdens, caused

by the introduction of the new act but the level of resources that will be made available to councils is yet to be confirmed. As the implementation of the act comes at a time when councils face acute financial pressures, PCC should carefully monitor the Government to ensure it fulfils its commitments to cover all resulting costs

- An IT solution needs to be found that is capable of discharging the requirements of the Homelessness Reduction Act and which would provide an enhanced housing register and choice based lettings service that was fit for purpose.
- There needed to be more of a focus on the performance in reducing homelessness and this should be supported with clearer data and its analysis.

## 7. RECOMMENDATIONS

The task and finish group makes the following recommendations:

**Recommendation 1** - That the Council endorses the Homelessness Strategy 2018 - 2020

**Recommendation 2** - That the Cabinet member for Growth, Planning, Housing and Economic Development contacts (i) the Secretary of State for Housing, Communities and Local Government, (ii) the Secretary of State for Work and Pensions, and (iii) the Local Government Association, seeking their support to amend legislation so that:

(a) the Housing Benefit element of welfare benefit payments are paid direct to landlords rather than to tenants, in an attempt to encourage more landlords to offer their properties for homeless households or those at risk of becoming homeless; and,

(b) Section 21 of the Housing Act 1988 (*Recovery of Possession on Expiry or Termination of Assured Shorthold Tenancy*) is reviewed with a view to ending its widespread use, and in its place introduce legislation that provides for greater tenancy security in the private rented sector.

## 8. FINANCIAL IMPLICATIONS

- 8.1 It is not expected that there will be any additional financial implications, which have not already been accounted and budgeted for.

## 9. LEGAL IMPLICATIONS

- 9.1 It is not expected that there will be any legal implications in implementing the strategy.

**10. LIST OF BACKGROUND PAPERS AND RESEARCH SOURCES USED DURING THE REVIEW**

- Housing Act 1996 (as amended by Homelessness Act 2002)
- Homelessness Code of Guidance for Local Authorities
- Homelessness Reduction Act 2017

Further information on this review is available from:

Democratic Services Team  
Governance Directorate  
Town Hall  
Bridge Street  
Peterborough  
PE1 1HG

Telephone – (01733) 747474  
Email – [scrutiny@peterborough.gov.uk](mailto:scrutiny@peterborough.gov.uk)