



Towards a New Homelessness Strategy

Consultation

September 2017

We are consulting to help us to develop a new Homelessness Strategy.

[[TO ADD.. DETAILS OF CONSULTATION PROCESS AND PERIOD HERE]]

In order to help us produce a new homelessness strategy we have carried out a Homelessness Review, this is an analysis of homelessness and housing information, undertaken in accordance with our statutory duties.

The Homelessness Review has been published alongside this consultation document; it contains a detailed assessment of local housing conditions and homelessness. We welcome comments on it as part of this consultation.

Homelessness in Melton

In Melton, homelessness is usually as a result of relationship breakdown, a parent or other family or friend saying that they can no longer provide accommodation, or due to the end of an AST (a landlord ending a private sector (assured shorthold) tenancy). There has been a trend over the last five years of higher levels of homelessness as a result of an end of an AST and it is now the most common cause of homelessness for those we have a duty to assist.

The number of homelessness applications the Council receives varies from year to year. In 2016-17 there was total of 154 homelessness applications and we accepted a homelessness duty for 56 of these households. A further 71 households were offered advice and assistance to either help them remain in their existing home or find alternative accommodation.

Families with Dependent Children

40% of homelessness enquiries in 2016-17 were from families with or expecting children, however they made up most of the households where a homelessness duty was owed (80%). Around 40% of families who sought homelessness assistance in 2016-17 did so because their private sector tenancy had been ended by their landlord (end of an AST) and they could not find alternative accommodation themselves. The other main reasons given were that a parent or other family member or friend said that they could no longer provide accommodation (17%) and relationship breakdown (17%), including a small number of cases of violence and abuse. On average, around 70% of these families were lone parents, mainly women.

Single People

Overall just over half of all households that approached the Council for homelessness assistance in 2016-17 were single people (55%). Single people were more likely to be homeless as a result of a relationship breakdown, or a parent or other family or friend saying that they can no longer provide accommodation, rather than the end of an AST. Single men were on average twice as likely to approach the council for assistance as single women.

Most single people who approach us are not owed a statutory homelessness duty because they do not have a priority need under homelessness legislation, but single people do make up almost all of the remaining 20% of homelessness acceptances after families with children. There are a variety of reasons why single people may have a priority need, the most common reason is mental illness or disability (43%). Other reasons have been varied and include physical disability (18%), old age (10%) and being 16 to 17 years olds or a care leavers under 20 (7%).

The Homelessness Review

The homelessness review identified the following five key issues;

1. An increasing private rented sector with falling levels of homeownership, particularly in the under 40's
2. A private rented sector that does not work for those with low to moderate incomes
3. A growing and aging population with the need for more housing of all tenures to meet population growth, including a need to increase the supply of affordable housing
4. A need to prepare for new responsibilities to prevent and relieve homelessness for all households as a result of the Homelessness Reduction Act (2017)
5. A need to improve the recording of homelessness data to improve housing intelligence to ensure we can meet needs effectively

1. An increasing private rented sector with falling levels of homeownership, particularly in the under 35's

The make up of housing in Melton has been changing, between 2001 and 2011 there was a 66% increase in the number of homes that were privately rented; an increase of 1,218 privately rented homes. Overall home ownership with a mortgage also fell over this period by 7.7%, an overall loss of 669 homes. This reflects national trends of falling home ownership and an increasing private rented sector. The private rented sector is less secure and households who live in privately rented homes are more susceptible to a housing or homelessness crisis.

Younger households have been most affected by these changes. The number of homes owned by a household under the age of 35 in Melton fell by 41% between 2001 and 2011 from 2,031 to 1,204. Over the same period the number of under 35's in private rented accommodation increased by 75% from 626 to 1,100 with the biggest increases seen in households age between 30 and 35. Privately renting a home is expensive over the long term and it is less secure. There is little difference in the cost to rent or buy a family home in Melton, if a sufficient deposit can be saved.

The reasons why homeownership has fallen in Melton reflect a number of nationally identified issues such as;

- an increase in the Buy to Let investment market as households move away from traditional savings because of sustained low interest rates

- home ownership continues to become less affordable as house prices have continue to increase faster than wage inflation
- financial mortgage lending restrictions after the financial crisis in 2008 have meant that households have had to find larger deposits and can borrow less to buy their own homes
- the increase in the use of zero hour and other insecure employment contracts as well as the self employment has made access to mortgage finance more difficult

Actions that can be taken to address these issues include;

- Provide sufficient new housing of all tenures to meet local population growth and needs, including the need for affordable housing to both rent and own.
- Enhance aspirations, skills and economic activity to help be in a better position to meet their own housing needs and aspirations.

2. A private rented sector that does not work for those with low to moderate incomes

The Homelessness review found that the majority of private rented homes in Melton were no longer affordable or accessible to households with low to middle incomes. A single full time income family with a lower quartile to middle income (£18,098 - £25,622) would not be able to afford to rent a three bedroom family home which typically now costs £695 a month in Melton.

Unfortunately housing benefit to help to pay rent is not a viable option for many because it is hard to find any homes anywhere in Melton that are available to let privately that are within the Local Housing Allowance (the maximum amount of housing benefit that can be paid for a specific type of property). This can also be a problem for households that have a change in circumstances and income as they are unlikely to get sufficient financial support to enable them to afford to remain in their rented homes.

It is clear that those with lower incomes and with a need for some element of housing benefit support to afford to rent a home privately are effectively being excluded from the private rented sector in Melton, because housing benefit caps mean that they simply cannot afford the rent. The gap between the Local Housing Allowance and private sector rents is biggest in larger properties, making the situation especially difficult for families with children in need of a home with two or more bedrooms.

Households who are able to find a home they think they can afford face additional barriers from local lettings agents. Privately rented housing supply outstrips demand and agents and landlords are able to cherry pick tenants who are perceived to be low risk, those with larger and more secure incomes. Reports are that some agents simply refuse to consider those in need of any housing benefit support as a prospective tenant whilst others apply restrictions that effectively exclude many people (such as fees, significant rent in advance or a requirement for a guarantor). If households are unable to find a home to rent privately, then they have little choice but to turn to the Council for assistance, such as presenting as homelessness.

The affordability of housing to rent or buy is an issue in Melton because of low incomes as well the high costs. Melton has very low levels of unemployment, but high levels of low paid and low skilled employment, especially within Melton Mowbray. There are clear links with the Council's Economic Development Strategy, particularly surrounding enhancing aspirations, skills and economic activity. By improving people's skills and providing support, training and education people may be able to improve their own circumstances and become more likely to be able to rent or buy their own home.

Actions that can be taken to address these issues include;

- Provide sufficient new housing of all tenures to meet local needs, including the need for more affordable housing to both rent and own.
- Action to improve access to and affordability of the private rented sector
Increase the supply of alternative suitable housing options, such as affordable housing to rent.
- Support households to identify and resolve their own housing issues and maintain tenancies as well as help them plan for their long term.
- Enhance aspirations, skills and economic activity to help households to be in a better position to plan for and meet their own future housing needs and aspirations
- Financial advice, including money management, debt advice and saving solutions to help people to save up to pay the fees and deposit required to rent or buy a home.

It is important to note that there are limited opportunities for the Council to influence the private rented sector. It cannot control private rent charges or increase the local housing allowance to improve affordability. It cannot force landlords to accept those with lower incomes particularly when more affluent tenants are available.

3. A growing and aging population with the need for more housing of all tenures to meet population growth, including a need to increase the supply of affordable housing

There is a need for more housing to meet the needs of the growing local population. The population grew by 5% between 2001 and 2011 and it is predicted to increase by up to 22% between 2011 and 2036. As our population grows household size is also expected to decrease, which will increase the overall demand for more housing.

Much of the predicted population growth will be in the number of older people in Melton. Older people are more likely to own their own home outright or live in socially rented housing so they are less likely to be vulnerable to a homelessness crisis. Older people currently make up a very small proportion of homelessness enquires (over 65's accounted for only 4% of homelessness enquiries in 2016-17 and none where a homelessness duty was accepted). They do have a variety of housing related needs which will be addressed as part of the Council's Housing Strategy.

Affordability is predicted to remain a problem over the medium term. Around 41% of new households that form each year are predicted to not be able to afford market housing to rent or buy without assistance and there is an identified need of at least 70 additional new affordable homes every year between 2011 and 2036, with most of this need being for rented affordable homes (80%) (HEDNA, 2017).

Households that come to the council seeking homelessness assistance typically cannot access private rented homes or afford to buy their own home. They currently have limited housing options available to them other than rented affordable housing. The current supply of affordable rented housing is not sufficient to meet their needs, primarily due to a shortfall in the supply of two and three bedroom family homes from re-lets within the existing stock. More affordable housing is needed and most of this need can only be met by building or acquiring new affordable homes. The council and housing associations can also take steps to review their housing policies and strategies to ensure that they are aligned and help to maximise the supply of the types of homes most needed from their existing stock, for example through effective asset management, tenancy and allocation policies.

If housing and affordable housing can be delivered in significant numbers for a sustained period of time then it is likely to have a positive impact on affordability and access to affordably housing. Long term it should enable households to have more choice across all tenures and it should allow households to be in a better position to meet their own housing needs without requiring assistance, reducing pressure on housing and homelessness services. Providing sufficient housing to meet local

demand is also likely to lead to less pressure on house price inflation and improve affordability over the longer term.

Actions that can be taken to address these issues include;

- Provide sufficient new housing of all tenures to meet local needs, including the need for more affordable housing to both rent and own.
- Prioritise the provision of two and three bedroom family affordable housing to rent to meet the most acute need over the short to medium term
- Make the best use of existing homes to meet local needs, including those owned by the Council and other providers of affordable housing.
- Encourage flexible and creative solutions to provide more homes that are affordable to rent and provide security of tenure
- Ensure local strategy and policy is aligned to meet local housing needs. The Housing Strategy, Allocations Policy, Tenancy Strategy and Homelessness Strategy should have regard to one another.

The Melton Local Plan sets out housing delivery to 2036 and it is already at an advanced stage, it plans to provide 6,125 additional new homes across the Local Plan period (2011-2036). The Local Plan expects to deliver around 18% of this new housing as affordable housing, around 1300 new affordable homes, which is around 73% of all the affordable housing required over the period.

There is a need to provide additional affordable housing to meet all local needs over the long term and there is a role for the Council and other affordable housing providers to bring forwards additional affordable housing from other sources, including grant funding. There could also be a role for private sector schemes as long as they can appropriately meet the needs of households who cannot afford to rent or buy a home.

New affordable housing that will be completed over the next two years is already at an advanced stage and we are confident that we will deliver 32 affordable homes in 2017/18 and 37 affordable homes in 2018/19, with 25 new affordable rented homes in each year, much of this is new family housing which is most in need.

Housing delivery is expected to increase more dramatically over years 3 to 5 of the new homelessness strategy and so is the delivery of new affordable housing as part of this overall increase in housing delivery. There are many variables in the delivery of affordable housing; indicative figures suggest that at least 300 new affordable homes will be built over this three year period. When such levels of affordable

housing have previously been delivered in Melton it has had a significant positive impact on addressing housing needs including homelessness and reduced the need for temporary accommodation.

4. Prepare for new responsibilities to prevent and relieve homelessness for all households as a result of the Homelessness Reduction Act (2017)

The Homelessness Reduction Act was passed in April 2017 and is expected to come into effect in April 2018. The Act makes a number of changes to homelessness legislation, this includes a doubling of the period that someone should be treated as threatened with homelessness from 28 to 56 days and new expanded duties to provide more extensive advice and assistance to prevent and relieve homelessness for all eligible applicants including the introduction of personal assessment plans. Under the Act some public bodies will also have a new 'duty to refer' homelessness to local housing authorities.

The Act extends the existing duty to provide advisory services, more detailed information will be required, it must be tailored to a household's specific needs and provided free of charge. The service should also be designed with certain listed vulnerable groups in mind (e.g. care leavers, victims of domestic abuse).

The Act also introduces personal assessment plans for all eligible households, these are individual plans that set out the steps that both a local housing authority and an applicant agree to take to resolve the applicant's identified housing issues, and this can include steps to help maintain any future tenancy.

The extended relief duty will require local housing authorities to provide a 56 day homelessness relief service to all eligible households, after which a homelessness duty would apply for those who qualify (i.e. eligible, homeless, in priority need and not intentionally homeless).

Our ability to prepare for the new Act is limited until the publication of a revised *Code of Guidance for Homelessness*, which will provide updated guidance on how local housing authorities should exercise their new homelessness functions and apply the legislation in practice.

Some local authorities are currently assessing the impact the Act may have on demand for homelessness services, to try to predict the degree of increase in homelessness applications the Act may cause. However in Melton, we have taken an approach to homelessness since 2012 which is more in line with how the Act will operate, in 2012 we moved to a system whereby we encouraged all households who approach us as homeless or threatened with homelessness to complete a homelessness application, regardless of priority need or circumstance. This resulted

in an increase in homelessness applications, particularly from households not in priority need and not considered homeless. Subject to what the revised guidance states, we expect to see small increase in homelessness applications above current levels, from public bodies exercising their duty to refer homelessness people to us and because of increased awareness of the new rights. Other factor such as affordability and access to the private rented sector are considered more likely to have an effect on service demands.

The new responsibilities surrounding advice and assistance, particularly the personalised plans, are expected to **impact the amount of time** it takes to deal with each homelessness application. Plans will need to be drawn up and then monitored to check that agreed actions have been taken. This will be over an extended period of up to 56 days before homelessness and then if prevention action is not successful for up to a further 56 days under the relief duty.

The number of homelessness applications varies year to year; it was 155, 215, 164 and 154 in the last four years. In future all such applications will now have to have personalised plans drawn up and monitored.

On average, in 16% of applications a 'not homeless' decision was made, it would be reasonable to expect that the personalised plans for this group would be simpler, outlining steps to enable them to return or remain in their existing home and/or maintain a tenancy in the future. These applications would be less likely to extend over the full prevention and relief period. However, the majority (84%) will require more extensive personalised plans that will need to be monitored and reviewed for up to the full period of time they are entitled to prevention and relief duties (up to 112 days).

The full impact of the new duties cannot be assessed fully until the revised code of guidance is released, providing detail of what is expected. Local housing authorities have been promised the new guidance in time to enable them prepare fully for the Act's introduction with a period of consultation before it is published.

Actions that can be taken to address these issues include;

- Provide additional support to the housing options team to help implement the Act and extend homelessness advice and assistance services.
- Respond to the revised *Code of Guidance for Homelessness* consultation when it is published
- Undertake an analysis of the impact of the Act on homelessness and housing services once the draft revised *Code of Guidance for Homelessness* is published

- Investigate the potential to develop homelessness protocols with public bodies that have a duty to refer homelessness to the Council (to ensure engagement this may need to be done sub-regionally). (The relevant public bodies have yet to be confirmed by the Government.)

The Council has already taken pro-active steps to address the likely additional impacts of the Act, it has recently appointed a new housing officer to help implement the Act and widen homelessness advice and assistance.

It is noted that the Council already has a successful working protocol with Leicestershire County Council children's services for 16 and 17 year olds.

5. Improve homelessness intelligence

There are gaps in knowledge in the homelessness review because of the way homelessness data has traditionally been recorded. It has been recorded in the format required for the P1E, which is a statistical data return sent by local authorities to the Government quarterly. There are serious limitations from the P1E as the data is collected at a local authority level and primarily only records information about households who the local authority owned a homelessness duty to so it does not give a full picture of homelessness locally.

There is a need to collect robust household level data so we can better understand the causes of homelessness for different groups and what actions might better help prevent and relieve their homelessness. The government began trialling a new household level data collection pilot scheme in April 2017 and the Council is part of this pilot. This will enable the council to undertake better data analysis to help to robustly review the homelessness strategy and ensure the homelessness service is effective.

Actions that can be taken to address these issues include;

- Collection of homelessness data at a household level
- Annual analysis and reporting of homelessness data to help identify whether any changes in Homelessness services or strategy are required.

Draft Strategic Priorities for the Homelessness Strategy (2017-2022)

Based on the findings of the homelessness review, the suggested priorities for the new homelessness strategy should be;

1. Provide enough housing of all tenures to meet local housing needs, including the need for more affordable homes to rent;

- Increase the supply of affordable housing to rent, particularly two and three bedroom family rented housing to meet the needs of those most at risk of homelessness
- Increase the supply of affordable housing to help those who want to buy their own home but cannot afford to do so without assistance
- Make the best use of existing homes to meet local needs, including those owned by the Council and other providers of affordable housing.
- Encourage flexible and creative solutions to provide more homes that are affordable to rent to those with lower incomes and provide sufficient security of tenure

2. Help households to meet their own housing needs and aspirations

- Develop personalised plans for all homeless applicants that will help applicants;
 - identify and resolve their own housing issues;
 - maintain tenancies; and
 - plan for and meet their own long term housing needs and aspirations
- Enhance aspirations, skills and economic activity to help households to be in a better position to meet their own future housing needs and aspirations

3. Reduce crisis presentations and support the most vulnerable

- Develop specialist advice and assistance for vulnerable groups such as care leavers and victims of domestic abuse.
- Develop homelessness protocols or housing pathways where appropriate with partners, including those public bodies that will have the new 'duty to refer' homelessness to the Council.

4. Delivery an efficient and effective homelessness service, which meets local needs

- Regularly review the homelessness strategy, so that it is responsive to any emerging needs.
- Undertake an analysis of the likely impact of the Homelessness Reduction Act on homelessness and housing services and identify any additional steps we may need to take to successfully implement the Act (once a draft revised *Code of Guidance for Homelessness* is released.)
- Review the use of temporary accommodation, including the use of B&B accommodation.