

PEOPLE COMMITTEE

20th June 2018

REPORT OF DEPUTY CHIEF EXECUTIVE

HOMELESSNESS REDUCTION ACT UPDATE

1.0 PURPOSE OF REPORT

- 1.1 To update members on the implementation of systems and actions regarding the new Homelessness Reduction Act 2018.

2.0 RECOMMENDATIONS

- 2.1 That members note the actions taken within the Housing Options Team in response to legislative changes

3.0 KEY ISSUES

Background

3.1 The Homelessness Reduction Act

The Homelessness Reduction Act has been passed by Parliament as homelessness is on the increase and the homelessness charity Crisis highlighted a number of issues with the way the previous law was working:

- A lack of meaningful advice and assistance which in some areas was not tailored to the individual's needs.
- Some local authorities were only helping at crisis point.
- Prevention work was being done but it was outside of the legal framework.
- There is little protection for single people who do not have priority need.

The Act is designed to address these issues. It encourages early action by Melton Borough Council to improve the quality of advice provided by local authorities and ensures people can access help before they become homeless.

3.2 What does the Act require?

It places a new duty on Melton Borough Council and other public authorities to reduce homelessness. It aims to reduce homelessness by:

- Improving the quality of the advice provided.
- Refocusing local authorities on prevention work.
- Increasing protection for single people.

- Joining up services to provide better support for people especially those leaving prison/hospital.

The Homelessness Reduction Act has put a duty of local authorities to focus more on the prevention of homelessness and will expect local authorities to report a reduction on homelessness acceptances and numbers of households in temporary accommodation

3.3 The Policy

To improve the housing options available to people presenting as homeless or threatened with homelessness, this policy proposes a prevention tool kit to improve the choices available, to reduce the cost of temporary accommodation and improve relationships with private landlords and agents.

4.1 Current picture:

Since 1 April 2018, there has been an increase in the frequency of homeless presentations to Parkside (around a 30% increase). Since the new legislation became law, the team has seen the following demand through the triage service:

- 39 presentations
- 100% of presentations are single or single parents
- 8 resulted in the duty being discharged as a solution was negotiated by triage officer or resident (e.g. returned home, staying with parents etc)
- 30 eligible for Prevention duty, with breakdown of relationships and evictions being the largest catalysts for homeless presentations.
- 1 relief duty accepted.

The reason for the increase in total presentations is not fully understood, however the increased publicity and knowledge surrounding the new legislation, allied with proposed legislation regarding private landlords may be contributing factors.

Primary trends experienced since 1 April 2018:

- Lack of available MBC, RSL and privately managed properties – discussions underway with letting and management agents.
- Lack of funds for assisting residents financially where warranted (additional policy).
- Long term breakdown in relationship with B&B's and hotel accommodation – discussions to improve are underway with the main B&B owners and hoteliers in the area.
- Lack of local knowledge from triage agency staff has made negotiating with residents and landlords more problematic – internal recruitment of secondment will solve this issue.

4.2 Current Housing Options Prevention Toolkit:

At present Melton Borough Council has limited options to either prevent or relieve a person becoming homeless. The Housing Options team relies on:

1. Discretionary Housing Payments to assist people access private rented accommodation by requesting either the deposit or rent in advance - this option is solely for customers who are in receipt of housing benefit or the rent element of Universal Credit.
2. Mediation with landlord or parents/family/friends to enable the customer to remain at their current address (there is no financial incentive available).
3. Supported accommodation for single people via No Second Night Out programme or hostels in the area.
4. Social Housing – there is a limited supply of affordable housing (with Melton Borough Council or Registered Providers) to meet the needs of the demand from the housing register.

The lack of available properties and limited access to affordable accommodation in the private sector results in people being placed in temporary accommodation for a prolonged period of time before they are permanently rehoused.

4.3 Proposed Prevention Toolkit:

To further assist officers in solving a homelessness case, or to safeguard a resident within their property, the Housing Options team is considering a number of mechanisms, primarily using the £103k Homelessness Reduction Act funding for 2017/18 and 2018/19 to:

4.31 Improve access to the Private Sector market

At present there is shortage of private lets available in the Melton borough and there are no financial incentives to encourage landlords or agents to accept applicants who are on benefits or on a low income.

Examples of barriers to arranging private lets are as follows:

- The gap between market rents and local housing allowance rates.
- The rules restricting direct payment of housing benefit to landlords.
- The risk that the prospective tenant may default on payments.
- The applicant simply not having the money to pay rent in advance and/or a tenancy deposit.

From May 2018, Melton Borough Council has operated a Landlord Deposit Scheme open to applicants who are owed a prevention or relief duty and have sourced suitable private rented accommodation (checked and approved by the Housing Options team) and do not have the financial means to pay the deposit .

The scheme involves:

Melton Borough Council arranges to pay the required deposit direct to the landlord of the property – the advantages of this are as follows:

Paying a tenancy deposit to a landlord to secure an assured shorthold tenancy has the following advantages:

The Council retains ownership of the money rather than the tenant managing the deposit.

The landlord should register the council's interest when they protect the deposit using one of the statutory deposit protection schemes.

Landlords are solvent and have assets (in contrast to homeless applicants). Consequently court action and enforcement of a money judgment is practically available as a last resort if a landlord improperly fails to return deposit money.

The potential adverse effect of enforcement action on the landlords' letting business incentivises compliance with the deposit protection rules. Repeated breaches could lead to a landlord failing the statutory 'fit and proper person' tests. As a result they could, for example, be unable to obtain a HMO licence.

If residents were encouraged to take up private rented accommodation, with MBC's assistance through the deposit scheme, there would be a significant saving to the Bed and Breakfast budget as families will have been rehoused before any long term B&B stays are necessary. It would also reduce the strain upon the housing register and the availability of MBC's housing stock.

The amount paid to landlord should not be in excess of the deposit plus any admin fees that are needed to secure the property and only in exceptional cases should it be considered that a rent in advance payment will be made to the landlord, these should include:

- The household is at immediate risk of being placed in bed and breakfast accommodation
- The household is at risk of violence or severe harassment or threats of violence that will be carried out
- There is a safeguarding issue within the household

Further scope to recoup the deposit outlay from the resident at a time when their housing situation is more stable is available and is being assessed by the Housing Options team.

The use of the rent deposit scheme will be Authorised by the Housing, Welfare and Safer Communities Manager for the duration of the trial.

4.32 Clearing Rent Arrears to Prevent Possession Action

As a result of Welfare reform, an increased number of residents are facing financial hardship and at risk of eviction due to a change in their circumstances that have resulted in rent/mortgage arrears through no fault of their own.

It is therefore being considered that financial assistance is made available through the Flexible Homelessness Grant to assist people who have been issued notice to leave their property due to non-payment of rent/mortgage who have:

- Lost their job or on reduced salary through ill health
- Had a change in benefits which has resulted in genuine financial hardship which has affected their ability to meet rent costs.

Confirmation from landlord will be needed to ensure clearing the arrears will allow the tenant to remain in the property and all court action is cancelled.

This fund will be open to private tenants and registered social landlords.

4.33 Improving Relationship with Private Landlords and Agents

Melton Borough Council intends to liaise with private landlords and local agents to improve the relationship between them and the housing options team.

Having financial incentives in place to assist people access private rented accommodation and maintain their tenancies will encourage private landlords and agents to have a closer relationship with the housing options team and strengthen their working arrangements. Other ways of working together are:

- Landlords/agents alerting the housing options team to tenants who are getting into arrears so that the housing options team can provide early assistance such as resolving UC/Housing Benefit issues/ arranging direct to landlord payments, applying for DHP to reduce rent arrears.
- Signposting tenants who are in difficulty to the relevant support that can help them e.g. CAB, Me & My Learning etc.

4.34 Making the best use of Melton Borough Council's stock

Tenants' Voluntary Incentive Scheme

It is proposed that Melton Borough Council introduces a Tenants' Incentive Scheme which will offer tenants who have been accepted on the housing register a financial incentive to move to more suitable accommodation. This will apply to tenants who are under occupying a property or alternatively occupying an adapted property which no longer meets their needs,

5.0 POLICY AND CORPORATE IMPLICATIONS

5.1 None identified

6.0 FINANCIAL AND OTHER RESOURCE IMPLICATIONS

6.1 All costs are incorporated within the Homelessness reduction Act ring fenced funding

7.0 LEGAL IMPLICATIONS/POWERS

7.1 None identified

8.0 **COMMUNITY SAFETY**

8.1 None identified


9.0 **EQUALITIES**

9.1 None identified

10.0 **RISKS**

10.1 **Probability**



Very High A				
High B				
Significant C				
Low D		1		
Very Low E				
Almost Impossible F				
	IV Neg- ligible	III Marg- inal	II Critical	I Catast- rophic
	 Impact			

Risk No.	Description
1	Risk regarding potential reputational impact of aligning with community action groups

11.0 **CLIMATE CHANGE**

11.1 No direct implications have been identified.

12.0 **CONSULTATION**

12.1 None identified

13.0 **WARDS AFFECTED**

13.1 All wards are affected.

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Date: June 2018