

SLOUGH BOROUGH COUNCIL

REPORT TO: Neighbourhoods & Community Services Scrutiny Panel

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CONTACT OFFICER: Paul Thomas Interim, Head of Housing 01753 (47) 4057
Julie Render, Housing Demand Manager 01753 (47) 7372
Debra Gilbert Arrears and Investigation Manager (78) 7857
Anne Stavrou Allocations Manager (87) 5302

WARD(S): 'All'

PART I **FOR COMMENT & CONSIDERATION**

OVERVIEW OF HOMELESSNESS IN THE BOROUGH

1. **Purpose of Report**

To provide members with an up to date overview of homelessness and the relevant homeless legislation and current trends including how the new Housing Strategy and proposed Homeless Prevention Strategy seeks to address some of these issues including a review of Slough Borough Council's Allocations Policy.

2. **Recommendation(s)/Proposed Action**

That the Panel considers and comments on the contents of this report.

3. **The Slough Joint Wellbeing Strategy, the JSNA and the Five Year Plan**

3.1 Housing is one of the key priorities of Slough's Joint Wellbeing Strategy (SJWS) and there are clear and multiple links between homelessness and the JSNA priorities around improving health conditions, particularly mental health and protecting vulnerable children. Outcome 4 of our new Five Year Plan 2017-2021 states: "Our residents will have access to good quality homes". This outcome recognises the critical links between improved health and wellbeing and affordable good quality housing, which has been proven many times through independent national research and is widely accepted by our local partners.

3.2 Currently, Slough has over 54,000 dwellings and 28% of these are provided by the private rented sector (PRS). This is the main accommodation available for homeless households in this borough. Regulation therefore plays a key role in stemming the flow of people presenting as homeless and addressing wider public health concerns due to poor housing conditions and particularly in Houses of Multiple Occupation (HMOs).

3.3 For example, the Council has a statutory duty to investigate and remove Category 1 Hazards from privately rented accommodation. This together with ensuring that any private rented accommodation is suitable and not overcrowded for the council to place homeless clients in is part of the Council's Homelessness

prevention activities at present and is essential to address public health issues as per the JSNA.

- 3.4 The current legal position in regard to Homelessness is that the Council has to ensure that people are entitled to housing in the first place and meet the criteria for “**statutory homeless**” as outlined in Section 4c. In effect, most homelessness services are reactive by design and not resourced to take on the full demands of a full prevention role and market intervention to prevent evictions. However, new legislation in the form of the Homeless Reduction Bill (2017) is set to place new duties on all local authorities to prevent homelessness at much earlier stages with a focus on homeless advice, early intervention to prevent evictions and provide temporary accommodation that is fully designed to meet household needs.
- 3.5 There also remains a common public misunderstanding and expectation nationally and locally that anyone who declares themselves homeless or vulnerable should be housed by the Council. The more usual pathway, once accepted as ‘*statutory homeless*’, is being housed via the private rented sector. There is a pressing need to manage expectations as well as homelessness demand regarding this issue.
- 3.6 Slough’s council housing stock of around 6000 units represents only 11% of all accommodation in the Borough and is therefore limited. The private rented sector is unaffordable for most and this makes complying with our statutory homelessness duties, and providing temporary accommodation in the PRS via paying market rents and landlord incentives increasingly unaffordable.
- 3.7 At the same time we have committed in the Housing Strategy to develop a new Preventing Homeless strategy by September 2017 to take account of the Homeless Reduction Bill and to review our current policy of allocation to re-evaluate the priority which homeless people receive under the scheme. This will be undertaken with members initially and with due regard to vulnerabilities and to better meet the joined-up priorities of the Joint Wellbeing Strategy, the JSNA and the Five Year Plan.

3a. **Slough Joint Wellbeing Strategy Priorities**

- 3a.1 As stated, Housing is a key priority of Slough’s Joint Wellbeing Strategy (SJWS) recognising the critical link between improved health and wellbeing and affordable good quality housing, and that the successful delivery of other key priorities have varied dependencies on the full range of housing provision and related activities being effectively provided.

These are:

1. Protecting vulnerable children
2. Increasing life expectancy by focusing on inequalities
3. Improving mental health and wellbeing

- 3a.2 With particular regard to Homelessness, Councils up and down the country are facing increasing pressure on their own social housing stock through Right to Buy (RTB) and other government interventions. The ongoing changes within national Welfare Reform, coupled with the ever increasing housing costs continue to provide huge challenges for households and particular those on low

incomes at risk of becoming homeless. The outlined situation has dramatically increased the pressure on Slough as we deal with an increasing number of local working households who are finding themselves in increasing financial difficulty and at risk of homelessness whilst making an economic contribution to the borough.

- 3a.3 These pressures are magnified in Slough as it the town is “booming” with house prices increasing by over 40% in less than 2 years and the affordability ratio between local average incomes and house prices is currently 13:1 making private sale housing unaffordable for most. At the same time rents have increased at an even higher rate as the population is rapidly growing and there is a huge competition for housing of all tenures from migrating households from London and elsewhere.
- 3a.4 House prices are still lower than London, whilst the availability of skilled work and planned new transport links such as Crossrail and the expansion of Heathrow continue to drive rents and house prices upwards.
- 3a.5 Following the introduction of the Local Housing Allowance (LHA), which capped the level of Housing Benefit available, the “affordability gap” between the LHA and market rents, has grown; the table below illustrates the current gap faced by the majority of households on benefits seeking private rented accommodation in Slough.

Property Type	Monthly LHA rate	Median rents	Gap
One Bedroom	£656.50	£950	£293.50
Two Bedrooms	£840.32	£1275	£434.68
Three Bedrooms	£1061.19	£1525	£463.81
Four Bedrooms	£1449.19	£1650	£200.81

The LHA maximum rates (April 2016 to April 2017)

- 3a.6 As illustrated, the figures demonstrate the “affordability gap” for those on benefits is large and increasing as the Local Housing Allowance (LHA) rate has been fixed for the next three years. We expect the market rents to rise and the “affordability gap” to widen during the life of this strategy given our housing market pressures. For example, the property types of our highest demand; namely 2 bed and 3 bed properties are significantly the ones with the largest current “affordability gap which continues to widen.
- 3a.7 In Slough, those households on low or modest incomes who cannot access home ownership or social housing are accommodated in the large and growing private rented sector. There is an emerging non traditional homeless household. Many residents who have traditionally worked and managed accessing their own accommodation are becoming increasingly vulnerable to homelessness. We understand that private rented is the least secure form of accommodation and that many thousands of tenancies are regularly accessed and renewed each year. However, many local households increasingly cannot afford to pay large increases in rent at each renewal of a six month tenancy.

- 3a.8 There are other national factors in regard to welfare reform and restrictions to benefits that are beginning to impact Slough including:
- The reduction in the Overall Benefit Cap which started in late 2016;
 - The further roll-out of Universal Credit to families and vulnerable groups and the associated risks of failure to claim, non-payment, rent arrears and debt.
- 3a.9 The Overall Benefit Cap, which restricts the total amount of benefit which can be received, acts as a further reduction on the financial help available to pay rent. We are already seeing the impacts of this policy in homeless presentations as it makes it ever more difficult for family households to sustain private rented accommodation.
- 3a.10 In regard to wellbeing, another impact of these restrictions is a further increase in overcrowding. Slough already has the eleventh highest incidence of overcrowding of all local authorities in England.
- 3a.11 An additional factor specific to Slough has exacerbated these pressures. That is the increasing tendency for homeless households to be placed in Slough by other councils. In the last 3 years, a total of 450 notifications have been made to the Council by authorities of homeless households they have moved into the Borough. These have been made by 28 different councils, including 11 London Boroughs.
- 3a.12 It is estimated by our Housing Demand Team, that this is a considerable underestimate and that the total number of placements is likely to be over 1000 new households placed in the last three years and it is London Borough's who are placing and not reporting in the main. The scale of this issue was flagged several months ago at the Wellbeing Board on behalf of local GPs, who were complaining of large numbers of patients from London with significant needs turning up to register with no prior warning or medical histories.

3b. **Five Year Plan Outcomes**

- 3b.1 We are specifically aiming to deliver Outcome 4 of the Council's overarching Five Year Plan 2017 - 2021:

"Our residents will have access to good quality homes"

However, there are strong links with several other outcomes, particularly our "putting people first" outcomes;

Outcome 1: Our children and young people will have the best start in life and opportunities to give them positive lives

Outcome 2: Our people will become healthier and will manage their own health, care and support needs.

- 3b.2 All these outcomes recognise the critical links between improved health including mental health and wellbeing and affordable good quality housing. As outlined, the Homeless Reduction Bill is set to place new duties on all local authorities to prevent homelessness at much earlier stages with a focus on homeless advice,

intervention at an early stage to prevent evictions and temporary accommodation and in particular, the needs of vulnerable people including:

- a) Persons released from prison or youth detention
- b) Care leavers
- c) Former members of the regular armed forces
- d) Victims of domestic abuse
- e) Persons leaving hospital
- f) Persons suffering from a mental illness or impairment, and
- g) Any other group that the authority identify as being vulnerable

- 3b.3 Our proposed wider interventions into the housing market for all special housing needs and vulnerable groups is captured in the Draft Housing Strategy, and for the purposes of this report the focus is on vulnerable rough sleepers as they “touch” both the strategic and operational services outlined and service provision for this group has been a “hot topic” over the last few months.
- 3b.4 Slough is fortunate in having an existing network of voluntary agencies and support and advice services offering services to single homeless people and rough sleepers. In some cases their clients include those who do not come within the statutory obligations of the local authority to accommodate homeless people. Often, however, joint working between the voluntary sector and the Council can bring the support which allows vulnerable client to access services.
- 3b.5 Whilst data is traditionally difficult to compile for Rough Sleepers, the general view of our voluntary sector is that rough sleeping (living on the streets) in Slough is on the rise. Estimates vary between 30 and 60 people, with a significant proportion being of Polish origin. The current official Rough Sleepers count for Slough is 25 and is undertaken every year on a Berkshire wide basis. This is the highest it has been over a number of years, but essentially the total has remained static despite the outlined homelessness pressures.
- 3b.6 We also know the scale of rough sleeping is greater than that captured and are aware of 39 individuals in total (including the 25 in the count) who rough sleep from time to time. The numbers vary because as for other homeless households most Rough Sleepers squat, ‘sofa surf’, stay with family and friends or anywhere else they can find temporary shelter for as long as possible (Centre for Regional, Economic and Social Research study commissioned by Crisis 2011).
- 3b.7 The voluntary and statutory agencies working in this field already meet regularly at the Slough Homelessness Forum. A number of specific initiatives are coordinated through this group, including a Winter Nightshelter and the London and Slough Soup Run.
- 3b.8 In developing the new Homeless Prevention Strategy, we will be carrying out a sector wide review to consider how we can help better coordinate services for Rough Sleepers and achieve longer term solutions including jointly commissioning new services for the most vulnerable single homeless people. We are also carrying out an early review of arrangements for rough sleepers during periods of cold weather.
- 3b.9 We are also working in wider partnerships and have recently commissioned work through homeless link to deliver the Making Every Adult Matter” (MEAM) approach across our strengthening homeless prevention partnerships. This also

effectively to our Public Health colleagues agenda of “making every contact count” and offers an exciting opportunity for information sharing and development of joint solutions between health, Adult Social Care, Slough Children’s Services Trust and Housing to work in new strategic partnerships to support new service delivery models Within the priorities of the Five-Year Plan.

4. Other Implications

(a) Financial

- 4a.1 There are potentially very significant financial implications for the Council giving the rising numbers of homeless families that are/will be seeking financial support from the Council in a variety of measures. For example, Luton as a comparator authority example have spent over £4 million on B&B and temporary accommodation alone in one year as it has lost control of its Homeless situation including a large rise in its rough sleeper count to over 50 each night. Our current spend on homelessness in total is just over £3.3 million of which we have recovered £2.6 million.
- 4a.2 The council’s legal duty to accommodate homeless households means that we are required to meet the gap in funding that was previously met though housing benefit. The average cost of placing a family in the private rented sector is £10,431. This figure is based on the majority 3 bed need and the requirement to top up the rent to guarantee the rent for 24 months to give security of tenure for a homeless household. Landlord incentives and full market rents are now the expectation for us to discharge our homeless duty in the private rented sector, which is expensive, but not as expensive as maintaining homeless households for in Temporary Accommodation, for a matter of months and years.
- 4a.3 Significant future investment in front-line services may be required to allow the Council to meet its new legal obligations in the absence of specific government funding to meet its future prevention duties as outlined. However, we are acutely aware that all of the same conditions that have caused major issues in Luton and contributed to the wider homelessness crisis in London are present here in Slough. It is t a testament to the service to date that we have not yet experienced the levels of homelessness or temporary accommodation usage as that of comparator or London Boroughs.
- 4a.4 Success can be measured in delivering the challenging targets we have set including the continued non-use of Bed & Breakfast, reductions in temporary accommodation numbers and costs, and ensuring that housing solutions are income generating such as Temporary Accommodation provided by the Council or its subsidiary housing company James Elliman Homes. We are also aiming for a 50% reduction in the number of rough sleepers.

(b) Risk Management

There are no risk management implications to the content of this report

(c) Human Rights Act and Other Legal Implications

- 4c.1 In England '**statutory homeless**' people are entitled to housing.

This means they must:

- Be homeless or threatened within 28 days (soon to be 56 days under new legislation)
- Be 'eligible for public funds' (this will depend on immigration status)
- Have some sort of connection to the area covered by the local authority, known as a 'local connection'
- Can prove that you are 'unintentionally homeless' (that it is not your fault that you became homeless)
- Be in '[priority need](#), ' broadly households with children, pregnant women and single people assessed as vulnerable.

Only once a person has passed these tests will can they be considered 'statutorily homeless' and only then, do local authorities have a duty to house, applicants. This is known as '*An Agreed homelessness duty*'.

Included in the Homeless Code of Guidance, for Local Authorities - Homeless Legislation is Part 7, of the Housing Act 1996, amended by the Homeless Act 2002, updated July 2006.

- 4c.2 The [2011 Localism Act](#) made significant changes to the homelessness duty in England and Wales. Local authorities are able to fully discharge their duty by offering a private rented sector (PRS) tenancy of 12 months, without the consent of the tenant. Previously the local authority had to offer a social home unless the tenant opted for a private tenancy
- 4c.3 16/17 year olds – Housing have a protocol with the Trust – ‘Getting it right for 16 and 17 year olds approaching as homeless’ This protocol sets out how Slough Borough Council will comply with relevant Children Act 1989 and Housing Act 1996 legislation, as well as the House of Lords Southwark judgement. This protocol takes account of the statutory guidance issued on the 1st April 2010 to local authorities.
- 4c.4 Supreme Court decision in May 2015 ([Hotak, Kanu and Johnson](#)) The Supreme Court case was important, as it was the first time the highest court in the land had considered the meaning of vulnerability, and as a result the previous vulnerability test, known as the ‘Pereira test’, was modified to ensure relevant homelessness and equalities legislation, and guidance is properly applied.

(d) Equalities Impact Assessment

An Equalities Impact Assessment Initial screening ahs been taken for the purposes of producing a new Preventing Homeless Strategy to take into consideration the possible impact for age, religion and sexual orientation and mitigate against any adverse impact etc. Likewise a full Equalities Impact Assessment has been completed for the production of the Draft Housing Strategy which includes an assessment as to the impact of the proposal/policy on race, gender and disability groups.

(e) Workforce

The new outlined Homeless Prevention legislation when it comes into force sometime in the next 12 months, will place an additional burden on most councils already overstretched homeless services. It covers the whole population and given the focus on vulnerable groups, there will also be an even greater demand

placed on all our current Housing Demand Team by Adult Social Care and Slough Children's Service's Trust to provide council house allocations, temporary bespoke accommodation, housing advice and intervention within the council's own stock and with private landlords to prevent evictions of vulnerable people. The staffing implications this are currently being assessed.

5. **Supporting Information**

5.1 Currently, there are a number of known risks materialising as sharp upturns in homelessness applications and financial pressures on the Council:

- In 2015/16 there were a total of 2,373 approaches to the Housing Service, of which 1,410 were on an emergency basis;
- The number of homeless households accepted as homeless in Slough increased from 74 in 2013/14 to 241 in 2015/6, an increase of 225%;
- As a consequence, the number of households placed in temporary accommodation also increased rapidly from 156 on 31 March 2015 to 225 a year later. The numbers continued to rise in 2016 and had topped 300 by September 2016.

5.2 Previously, some of these households had to be accommodated in Bed & Breakfast (B&B) hotels, a problem also facing most neighbouring councils, and particularly those in London. This Council has however succeeded in reducing the number of households in Bed and Breakfast accommodation from 46 in September 2015 to 21 a year later. We had eliminated the use of Bed and Breakfast accommodation for families by January 2017 and have stabilized the numbers in temporary accommodation at 316 as at March 2017.

5.3 We are also taking a strategic approach to reducing Temporary Accommodation spend and costs can be divided into four categories:

- Very Expensive - bed and breakfast accommodation- costing up to £160 per night. This council has eliminated use of this accommodation for families during the last six months.
- Expensive – nightly rate accommodation – currently the gross average cost of this accommodation is £40 per night via contracted arrangements
- Free or low cost accommodation – this mainly relates to buy backs or other council properties used as temporary accommodation where full cost recovery models can be used as “exempt accommodation” from LHA Levels.
- Income generating – where accommodation can be classified as “exempt accommodation” under HB regulations the rental income can provide a surplus. E.g. our new emergency temporary accommodation units at High Street Langley.

5.4 Our strategy is to:

- Target a reduction of 25% per year for number of households in nightly booked accommodation.
- Reduce admissions into temporary accommodation through the new homelessness prevention model.
- Our Subsidiary Housing Company James Elliman Homes, will acquire existing housing for use for households threatened with homelessness. The new company will act as an exemplar private landlord and help promote good standards in the private rented sector.
- Continuation of communications campaign setting out the challenges for homeless people in Slough.

6. **Comments of Other Committees**

6.1 The item on Homelessness arose from the Overview and Scrutiny Committee's debate on 20th December. The report in the form of a presentation for information purposes was taken by officers on 20th December, the minutes and the written question referred to in the minutes are all available on the Council's website.

6.2 Members written questions were answered in regard to statistics including the number of rough sleepers and the number of deaths on the street, downsizing in Council properties, and the status of the current Homelessness Strategy written in 2011.

6.3 It was agreed that the homeless strategy was out of date and the plan was to complete the Housing Strategy by April 2017 which would have a section on homelessness and a full Homeless Prevention Strategy by September 2017.

7. **Conclusion**

7.1 There are a number of reasons outlined in this report that leads us to conclude that homelessness will continue to grow. The threat for Slough is that the very high levels of homelessness and usage of temporary accommodation seen in neighbouring London Boroughs will spread outwards to this Borough.

- The major risk for Slough is that a number of factors will combine to produce further sharp increases in homelessness of all types, from local working families who cannot afford to accommodate themselves through to rough sleepers.

7.2 These are;

- Continued population growth leading to overcrowding and further increases in house prices and rents pricing local working families out of the private sector housing market;
- The 4 years freeze in welfare benefits, including Local Housing Allowance, announced by the Chancellor in the Budget for 2015 and the implementation of the Benefit Cap and roll out of Universal Credit;

- Continued placement into Slough by London and surrounding Boroughs as Slough has a large private rented sector and rents though high are still less than inner London;
- It is becoming ever more difficult for households on benefits, or low or modest incomes to find and sustain tenancies in Slough's private rented sector.

7.3 Overall, Slough has all the market conditions and characteristics that could lead to a sharp increase in homelessness on the scale of some inner London boroughs if significant and effective prevention measures are not taken. We have outlined the measures we already have in place and will be taking in the longer term both here and in the Draft Housing Strategy.

7.4 In the meantime the Council could advocate a change in the LHA rates with government to protect the economic and general wellbeing of a significant number of the borough's residents, who may be at risk from Homelessness. We effectively have London rent levels without comparative LHA rates for all qualifying households including homeless ones to contribute towards their rents.

8. **Background Papers**

- Housing Act 1996
- Homeless Act 2002
- Supplementary Guidance on the changes in Localism Act 2011 & on the suitability of accommodation Order 2012
- Supplementary Guidance on domestic abuse & Homelessness – November 2014
- Homeless Reduction Bill 2017
- UK Housing White Paper 2017
- Luton's Homeless Prevention Strategy 2017