

BRIEFING NOTE TO AUDIT AND PERFORMANCE REVIEW PANEL

8TH DECEMBER 2008

HOMELESSNESS

In accordance with section 100B (4) (b) of the Local Government Act 1972, the Chairman has agreed to consider this item as an urgent item at this meeting.

Homelessness Budget

Statutory Framework & Targets

Anyone who is homeless or threatened with homelessness, can make an application for assistance and the Council must investigate. However, to be accepted by RBWM they must have a priority need, not be homeless intentionally and have a local connection with this area. This is a statutory obligation defined in the Housing Act 1996 (as amended by The Homelessness Act 2002). There is also a duty to assist anyone made homeless as a result of a fire, flood or some other disaster, and this links directly into emergency planning.

Anyone who presents to the office is entitled to receive advice and appropriate assistance. A decision should be made in respect of an application within 33 days, and there is a statutory target that no family should be in B&B for longer than 6 weeks.

On horizon – possible increased levels of homelessness due to the Credit Crunch and mortgage arrears leading to increased numbers of repossessions.

Range of Policies available to deal with Homelessness

Prevention – high levels advice about housing options.

Rent Deposit Guarantee Bond.

Use of Discretionary Housing Payment – Council can add 2.5 times to unallocated Central Government amount.

Deposit Loans– Interest Free Loans.

B&B – easier to end assistance if found to be ineligible. HB subsidy loss

Leased properties – private sector homes leased to avoid use of B&B.

Temporary Accommodation – supported accommodation (Wellesley House, Frogmore Court and Admel House).

Temporary Accommodation – York Road

Housing Association rehousing. 206 nominations in 2007, 209 from January to July 2008

Homeless at Home. Where people remain at home by negotiation with parents/relatives with planned rehousing.

Shared Ownership – negligible use as most homeless households do not have an income sufficient for a mortgage.

RBWM Policy

Prevention – advice is mainstay of our success with early intervention in cases of threatened homelessness, underpins all other policies, saves money, best outcome for all; mortgage counselling, links to private sector options, etc. It relies on adequate levels of staffing, and Officers with a high level of training and experience in a very specialist area of work.

Interest Free Loans – major impact for assisting households into private sector lettings.

Use of Discretionary Housing Payment– only used occasionally but covers gaps between Housing Benefit thresholds and private sector rents.

Use of B&B where no alternatives are available, applications need to be assessed, & in emergency situations.

Homeless households get a higher level of priority on the Housing Register through the points system.

Wellesley House, Frogmore Court and Admel House are used as temporary housing to avoid the use of B&B, but these supported housing schemes rely on movement into the private sector, or Housing Association tenancies becoming available to ensure move-on takes place, thus freeing units up for new homeless households young/ people

Current Position

8.69 FTE staff

572 new waiting list applications in 2007, (bringing total on register to 2127 as at 30/6/08) plus 466 homeseeker enquiries (pre homelessness) for advice and assistance, 25 homelessness acceptances (formal homelessness application), plus continuing casework and continuous waiting list management

Average of only 2 households in B&B per night, average length of stay in B&B depends on household size – a 3 bed case might wait 18 months, cost per family & couple etc, gross & net of HB

Nos. of flats in Wellesley House 17, Frogmore Court 24 flats, & Admel 6 rooms

Approximately 3 – 4 loans for deposit given per week

106 loans given April 07 – March 08

41 loans given April – June 08

Wellesley House – 12 families, 2 singles, 1 couple

Nos. in self contained temporary accommodation - 11

Historical position

Early 1990s

Homelessness Applications

Year	Applications	Accepted
1993/94	770	143
1994/95	513	167
1995/96	433	238

Numbers in temporary accommodation (snapshot figure).

Year	Bed and Breakfast	Other temp accom.
1993/94	68	223
1994/95	89	191
1995/96	70	274

Large numbers of households occupying B&B for periods of 12 months or more will impact on costs for other Council service areas such as Children's Services, Mental Health Services, Environmental Health, etc. as the pressures of long term homelessness builds up on families.

Apart from the Financial costs it also impacts on issues such as poor educational achievement. It has always been difficult to find B&B within RBWM as local guest houses cater for the tourist trade and do not want families occupying rooms on a long term basis. This means that traditionally families have had to be placed out of Borough in areas like Slough, Hounslow or even further away, which then impacts on the services which can be delivered to them. Large numbers of households in B&B would also mean that current staffing levels would be insufficient to manage their stay.

Following the Homelessness Review and Strategy in 2003 the Housing Policy Unit has adopted a pro-active housing options approach rather than re-active approach to homelessness through the use of B&B, to a point where a Government target of zero use of B&B for longer than 6 weeks has been achieved and maintained for about the last three years. The key to this success has been a small but highly trained and skilled team of frontline housing staff who give advice to households in order to avoid homelessness, and to also look at other options such as the private rented sector. A key tool in achieving this has been the use of loans for deposits, and funding that may previously have gone to B&B proprietors, has been diverted into this area of assistance, which is a less expensive option than the cost of B&B . High quality temporary accommodation at Wellesley House and Frogmore Court have also been built in partnership with Housing Associations, homelessness is prioritised on the Housing Register, Homeless at Home, where an applicant remains at home by negotiation with planned rehousing, is used wherever possible, and a regular supply of new affordable housing every year has helped to reduce the need for temporary accommodation generally.

Current Trends

CAB advised 9 households threatened with repossession between April – June 2007 and 22 between April – June 2008.

National repossession statistics quoted from Inside Housing show that mortgage repossessions in the first half of this year are up by 48% compared to the first half of 2007 and the number of householders in arrears for three months or more has risen from 120,800 in the first half of 2007 to 155,600 in 2008.

The Credit Crunch and the crisis in the housing market means that less section 106 sites are being developed at present, so a much reduced number of new affordable housing units will become available in the near future, and this will impact on the Council's ability to rehouse households. It is possible that a recession will happen in the economy, and this will have a major impact on the number of homelessness applications as people lose their jobs, cannot find alternative work, and have problems paying their mortgages or rents.

The impact of the Credit Crunch on the buy to let market in this area is difficult to gauge, but an increasing number of buy to let landlords may well begin to experience financial difficulties.

It is possible that we can expect a 20% increase in 2008-09 on last year for homelessness acceptances, but numbers are currently still low.

A lack of new build rented properties (particularly family sized 2 and 3 bed properties), and the promotion of shared ownership developments which now cannot be sold, has already had an impact locally.

People who may have considered home ownership in the past, are less likely to consider this option at the moment, and indeed will not be able to obtain mortgages. This will put increased pressure on the already limited social housing stock.

OPTIONS available to deal with anticipated demand increase

Short Term

Additional trained frontline housing staff to interview applicants at an early stage, give advice, and appropriate assistance by looking for all possible options, and avoid B&B.

More private sector letting – not available to those with low credit rating.

More use of DHP - use of 2.5x match funding.

More interest free loans.

Expand Admel house.

Use of unsold shared ownership as affordable rented housing

Work with Housing Associations in respect of mortgage rescue schemes – Govt. has not given details yet.

Support Housing Associations to purchase houses on the open market – this would require subsidy in order to achieve affordable rent levels.

Long Term

Amend planning rules to encourage affordable rented housing rather than other options.

Make Council owned land available for affordable housing.

Another Wellesley House scheme of supported housing.

Generally find options for increasing the supply of affordable rented housing, as this is the cheapest way of resolving the long term problem of homeless households. .

RISK ASSESSMENT – short & medium term only

Risk is considered under 4 headings, no impact, optimistic impact (20% likely) likely impact (50%), pessimistic impact (20%)

No Impact

This is not a likely scenario, The current state of the financial markets, and the consequent impact on the housing market and the economy, is likely to result in an increase in homelessness applications.

Optimistic

Event – doubling of demand for advice and for accommodation over next 12 months.

Impact – given current staff & policies this could give rise to 20 B&B placements per night

Mitigating Action – recruit & train additional 2 frontline staff; increase use of interest free loans; more use of DHP, only rehouse homeless households from the housing register.

Impact after mitigation - an additional 5 B&B placements per night

Likely

Event – quadrupling of demand for advice and for accommodation, demand pushes impact on cost of B&B.

Impact – given current staff & policies this is likely to give rise to an additional 50 B&B placements per night

Mitigating Action – recruit & train additional 4 frontline staff; increase use of Interest free loans; more use of DHP.

Impact after mitigation - an additional 20 B&B placements per night

Pessimistic

Event – 10 fold increase in demand for advice and for accommodation demand push impact on price of B&B.

Impact – given current staff & policies this is likely to give rise to an additional 120 B&B placements per night

Mitigating Action – recruit & train 6 frontline staff & 1 manager; increase use of Interest free loans; more use of DHP.

Impact after mitigation - an additional 50 B&B placements per night