HOMELESSNESS UPDATE

1 PURPOSE OF REPORT

1.1 The purpose of this report is to give the committee an overview of the approach and update on the annual review of the Homeless Strategy 2016-2021.

2 INTRODUCTION

2.1 The Council's Homelessness Strategy 2016-21, is a five year strategy and was adopted in March 2016. It identified a range of objectives for tackling homelessness and produced an action plan focussed upon homelessness prevention. The key measure of success for the strategy is an increase in homelessness prevention.

2.2 Homelessness is a sensitive statutory duty governed by complex government guidance. Need is often immediate, the case circumstances vary widely and are often complex. Each homeless case requires due investigation with evidence to support resulting decisions through appeals and challenges. Accommodation, in short supply, must be negotiated/arranged, along with client occupancy/behaviour and Housing Benefit claims/payments, all cases require close monitoring. An annual review is now necessary, to ensure the strategy and its actions remain realistic, against what we know about the current homelessness in the district, balanced with national and local trends as summarised in Appendix 1.

Appendix 1: Housing Options quarterly report (Q3) - December 2016.

3 BACKGROUND

3.1 The local homeless figures as detailed in Appendix 1, give some transparency to the work of the wider Housing Options service, but it is what we do with the figures that are important. The figures show that demand for the service is increasing and the future legislative 'unknowns' also need to be considered. The key driver of this annual review is to ensure initiatives are happening that will have benefits in the long term, to reduce the demand impact and the impact on the Council's financial position.

3.2 When the Homeless Strategy was first drafted there was a multi agency commitment to deliver and a steering group was set up to draft the strategy

3.3 This partner led group has been reconvened to provide updates and scrutiny to this annual review process.

3.4 The steering group members include housing options, housing benefits, registered providers, CAB, housing related support providers (Family Mosaic). The first review meeting is planned for February.

3.5 In advance of this meeting, a draft internal update has been considered and some examples of progress made include:

- A new single housing options assessment form has been introduced, which has helped to provide a more streamlined response to the increasing number of approaches to the Housing Options service, currently averaging 97 a month. Pending legislation changes, where it is anticipated that all clients will be offered an assessment/ personalised housing plan, will mean that this action outcome can only be sustained in the short term. New ICT systems are already being explored to support further streamlining of processes. This will remain a key review issue.

- To work with our partners to intervene at the earliest possible point remains a critical action and outcomes to date, include evidence where officers have proactively engaged with ECC and other Essex wide groups and helped influence, where possible, the future decommissioning of housing related support services. As ongoing active members of local housing/health forums, it has enabled officer to be proactive in their approach with residents and manage expectations. Increasing strategic involvement has also enabled officers to be part of wider partnership funding opportunities i.e. Essex Homeless Trailblazers success.

- A review of partnerships has also shown improved sharing of information/relationships, which supports the strategy's prevention focus i.e. with the Social Care Family Operations Hub. A local workshop earlier in 2016 reinforced the housing safeguarding referral process and similar approaches are to be developed over the next year. The set up of a new CAB/RDC housing drop- in service is another example of improved partnership working.

- The key action of restructuring to a Housing Options service, shifting focus from accepting and processing homelessness applications to that of preventing homelessness, has been implemented and 3 new (2 Housing Options Homeless and 1 Prevention Officer) recruited and starting in March 2017. Reviews will continue to monitor the success of this action, via the performance figures e.g. numbers of prevention savings.

Link to business plan priorities

3.6 Homelessness services support some of the most vulnerable residents and, therefore, 'Early Intervention and 'Improving Health and Wellbeing' are overarching priority for all ongoing and new prevention and intervention work.

4 RISK IMPLICATIONS

4.1 **Impact of Affordability and Supply**

As reported in the Housing Options Q3 report (Appendix 1). The lack of supply and affordable accommodation continues to have the effect of creating a 'blocking up' the whole system as the movement of households slows down.

4.2 **Impact of the Homeless Prevention Bill**

The commissioning of services in line with the prevention and relief of homelessness should be prioritised, but this is currently being challenged by the Essex County Council (ECC) savings targets, that have changed the nature of re-commissioning. The ECC savings programme for 2017/18 has already introduced savings into the current homeless housing related support contracts, with a further significant £1.5m saving target planned for 2018/19, for this service area. This will inevitably impact on the level and availability of service offered locally.

4.3 The Housing Options service needs to continue to develop its case management approach to homeless prevention, to manage the uncertainty of future demand for all new 'duty' work. This has to be balanced with the unknown levels of government financial support for improvements, such as an improved ICT approach.

5 RESOURCE IMPLICATIONS

5.1 The initial internal review of the strategy supports the need to keep the focus on early intervention, through an increase in homelessness prevention work. In the long term this will help to reduce costs and homelessness, but this work is currently significantly dependent on the lack of supply and affordability.

5.2 The financial impact has meant savings have had to found in other budget areas, to meet this need. This approach is not easy and can only be sustainable in the short term.

5.3 There is, therefore, an ongoing critical need to progress with a wider housing delivery approach where asset, and investment opportunities should be considered, informed by the local housing needs trends.

6 LEGAL IMPLICATIONS

6.1 The Homelessness Act 2002 Section 1(3) requires a Local Authority to produce a strategy and Section 1(4) requires that the strategy is reviewed and updated at least every 5 years. Rochford Homelessness Strategy 2016-21 meets this statutory duty and locally a decision has been made to review the work of the strategy annually.

6.2 The Council holds a statutory duty under the Housing act 1996 to secure accommodation for unintentionally homeless households who fall into a 'priority need' category. There is currently no duty to secure accommodation for all homeless people.

7 RECOMMENDATION

7.1 It is proposed that the Committee **RESOLVES** to note the Homelessness Strategy work and the ongoing need to demand manage the service, as outlined in the report and Appendix.

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Background Papers:-

None.

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If you would like this report in large print, Braille or another language please contact 01702 318111.

Housing Options

Quarterly Report

December 2016

House Prices, Affordability & Market Indicators

Housing Option Trends Quarterly Report

Introduction

This report monitors the latest trends in house prices, rent and other market indicators based on Hometrack's online Housing Intelligence System (www.hometrack.co.uk).

We look at national and local trends and how this impacts on our local Housing Options service, with a particular focus on our statutory duty to consider those homeless households with a priority housing need.

Key trends

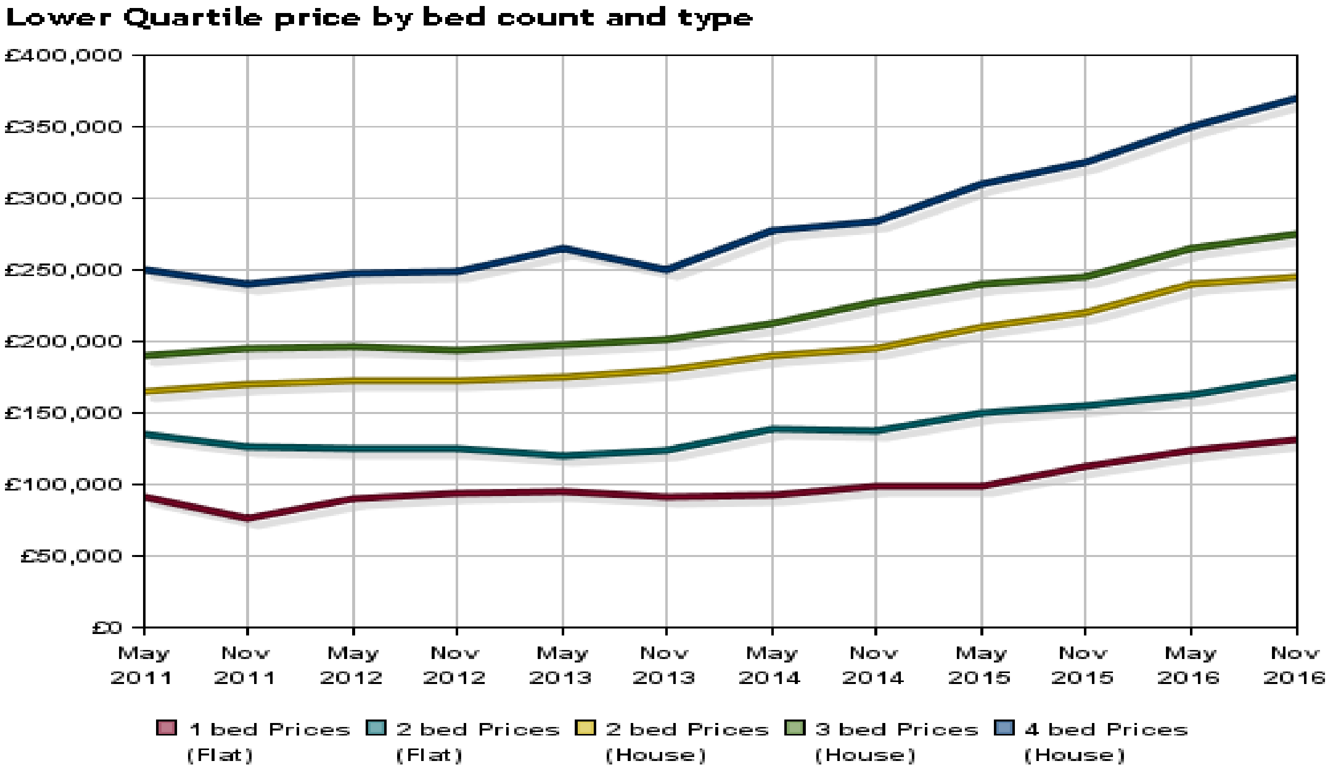
National Trends

- Annual house price growth up to December was 6.5%.
- The quarter change was +2.5% and the average price was £222,484
- Annual house price growth fell from 5.8% in September to 5.7% in December 2016
- Evidence suggests that the underlying pace of housing growth may be easing.

Local House Prices

- The annual house price growth up to December for TGSE was 10.30%.
- **The highest overall Lower Quartile (LQ) house price was in Rochford at £260k**, followed by Castle Point £225k, Basildon £220k, Thurrock £215k, and Southend £180k.
- Compared with pre-recession prices in 2007/8 when they peaked, prices are now consistently higher for the ninth successive quarter; **in Rochford by £76k**, Basildon £65k, Castle Point £55k, Thurrock £68k, and Southend £40k.

Price by bed count and type in Rochford



Note
This chart shows the lower quartile price of property by bed count. The data for this analysis is based on data from Hometrack's Automated Valuation Model.

Affordability

- Four wards in Rochford have a ratio between house prices and household disposable income, in **excess of 14:1, compared to 10:1 for the East of England**.

  For example, in **Rochford 57% of first time buyers cannot afford a flat or maisonette based on a mortgage at 3.0 times their income**. This rises to 84% for those wishing to purchase a terraced property,(a 3% increase in the last quarter) and 94% for a detached property. See Table A.

TABLE A

3 times income

	Rochford (DIS)
	Percent of households priced out of market
FTB households - Flats	57.10%
FTB households - Terraced houses	84.01%
FTB households - Semi-detached houses	86.55%
FTB households - Detached houses	94.40%
Owner occupier - Flats	50.07%
Owner occupier - Terraced houses	77.80%
Owner occupier - Semi-detached houses	81.12%
Owner occupier - Detached houses	91.85%

Note

This table shows the percentage of households priced out of the market in the area. The analysis differentiates between house types and whether or not the purchasers are first time buyers. This is a modelled figure which is derived from the house price and income assumptions in the 'graph' section of this analysis. The figures displayed are simply derived from incomes and house prices and do not account for the existing tenures of local residents. The house price data is based on data from the Hometrack Automated Valuation Model and the incomes data is supplied by CACI. Further details on these sources are available in the Help and Information section.

Affordability (RENTAL ACCOMMODATION)

- Table B shows the average weekly cost of rental accommodation in Rochford, against a comparison of the Local Housing Allowance (LHA). It should be noted that Central Government have frozen the Local Housing allowance rate for 4yrs, up to 2020.

- **Private rents continue to rise across the South Essex, but notably Rochford**. In Table B, the increase is shown in brackets since the last quarter.

- **Affordability is worsening.** The gap between private rent and Local Housing Allowance continues to widen, by as much as £45 per week for a 1 bed property.

Table B

RENTAL TYPE	**1 bedroom (£weekly cost)**	**2 bedroom (£weekly cost)**	**3 bedroom (£weekly cost)**	**4 bed (£weekly cost)**	**Shared room weekly rate***
Housing Association	68.2	79.10	90.60	N/A	N/A
Private (median)	161 (+24)	213 (+12)	288 (+12)	346 (+23)	107 (+7)
LHA (housing benefit)	**116.52**	**151.50**	**186.47**	**240.60**	**66.76**
AFFORDABILITY GAP	**44.48**	**61.50**	**101.53**	**105.40**	**40.24**

***** Single households under 35 years of age would only be entitled to the shared room rate for LHA

Appendix 1: gives a further breakdown of rent values in Wards.

Supply

- **Affordable rent vacancies are decreasing**. Table C shows a gradual decrease in the number of affordable rent vacancies with previous years

Table C

Year **(3rd Quarter)**	**1 bed property**	**2 bed property**	**3 bed property**	**4 bed property**	**Total**
2011/12	18	4	3	0	**25**
2012/13	16	10	4	1	**31**
2013/14	20	13	9	0	**42**
2014/15	33	18	11	3	**65**
2015/16	25	17	18	0	**60**
2016/17	17	4	2	2	**26**

Impact of Affordability and Supply

- Table B & C, evidence **a lack of supply and affordable accommodation**, which continues to have a direct effect for Rochford, having regard to the number of households in both temporary and emergency accommodation and their length of stay.

- The **number of applicants on the Housing register is increasing**. As of 1st January 2017, there are 808 applicants on the register, compared to 605 applicants at the 1st April 2016. A 34% increase in 7 months.

- **Private renting (median) is now most expensive in Rochford at £233**, followed by Thurrock at £219, Southend at £196 and Basildon/Castle Pint at £184. **This continues to restrict Rochford in discharging its homelessness responsibilities into the private rental sector**, and reduces a household's ability to meet theirown housing needs in the private rented sector. The rental market in Rochford is also relatively small (8.4% private and 7.6% Social rented).

- **For Rochford, the current strategic housing market (SHMA) details that we need to build 268 affordable homes a year** and looking forward we are only likely to see approximately between 50 and 70 new affordable rented homes built over the next year. The national housing policies contained within the Housing and Planning Act 2016, are still weighted towards home ownership, pending the Housing White Paper, expected later in January.

- **The impact continues to have the effect of creating a 'blocking up' of the whole system, as the movement of households slows down**

- Table D shows the numbers of households and the average time spent in emergency accommodation i.e. B & B accommodation, which the Council has to subsidise. (This is compared to the number in Housing Association temporary accommodation, which the Council does not subside).

Table D

	Emergency Accommodation (B & B/Nightly lets)		
2016	**Number of households**	**Average Length of stay (weeks)**	
December	37	31	
November	39	6	
October	27	28	
September	29	60	
August	31	118	
July	33	55	
June	33	11	
May	31	28	
April	30	33	

Local Homelessness Trends

- **Appendix 2 details the local homeless trend**, which shows a continuing demand. These figures are used to monitor and influence the priorities of the service, with particular reference to the pending duties proposed under the Homeless Reduction Bill (HRB), which is currently progressing through parliament.

- **Appendix 3 outlines the main provisions of the HRB**. The costs of implementing any new legislation is currently unknown, but are being considered by the Housing Options service, with particular reference to streamlining the service and ICT needs i.e. to enable the management of personalised housing plans for all housing advisory clients.

- The Homeless/Housing Advice/Allocations service moved into its new Housing Options model on the 7th November 2016 and in December 2016, 3 new Housing Option officers (2 Prevention and 1 Homeless Officer) were recruited, to enable the service to begin to take a more proactive approach, to the priority of homeless prevention. New officers start in post March 2017.

- The purpose of the new Prevention roles is to lower homeless acceptance rates. These officers will take a proactive approach to early intervention and provide in-depth case management including support assessments, referrals and inter agency working. It is anticipated that the prevention figures in Appendix 2 should be showing an increase from Q2 2017/18 onwards.

Local Homelessness Trends (cont.)

- Prevention work streams that are currently used by the service and are being improved on via the Homeless Strategy Action Plan include:

- Early intervention through housing advice.
- Rent in advance scheme*
- Rent deposit scheme*
- Discretionary housing payments
- Tenancy sustainment incentives
- Home visits
- Liaising with landlords/agents
- Working with registered providers
- Daily checking for private rented properties

* Both schemes are managed on a loan basis and therefore repayable back to the Council.

- An annual review of the Homeless Strategy 2016-21 is currently in progress with partners, which includes an assessment of the local trends and their impact on the progress being made against the homeless action plan. The aim is to update the plan, but ensuring we continue to embed more efficient practices for preventing and tackling homelessness.

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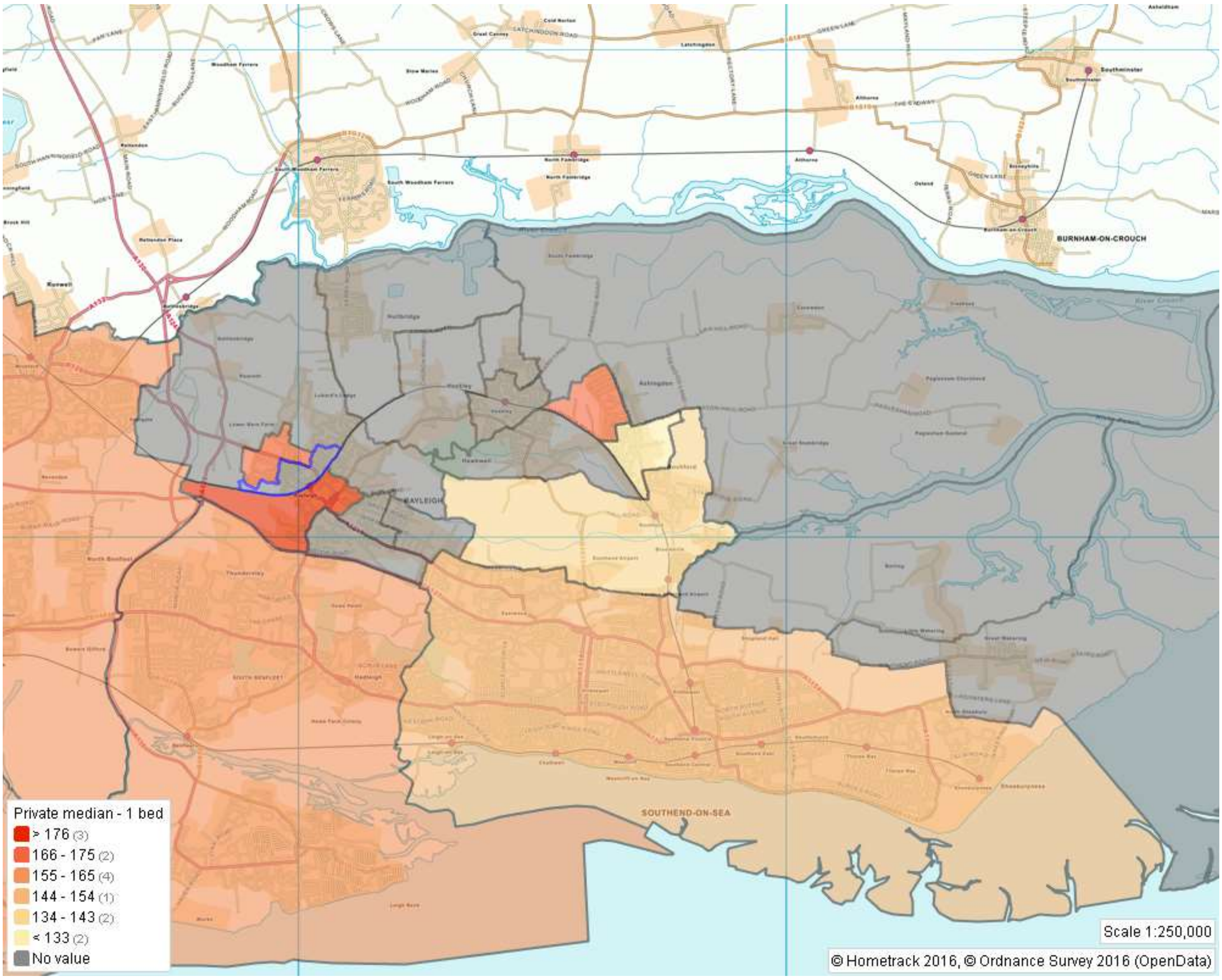
APPENDIX 1

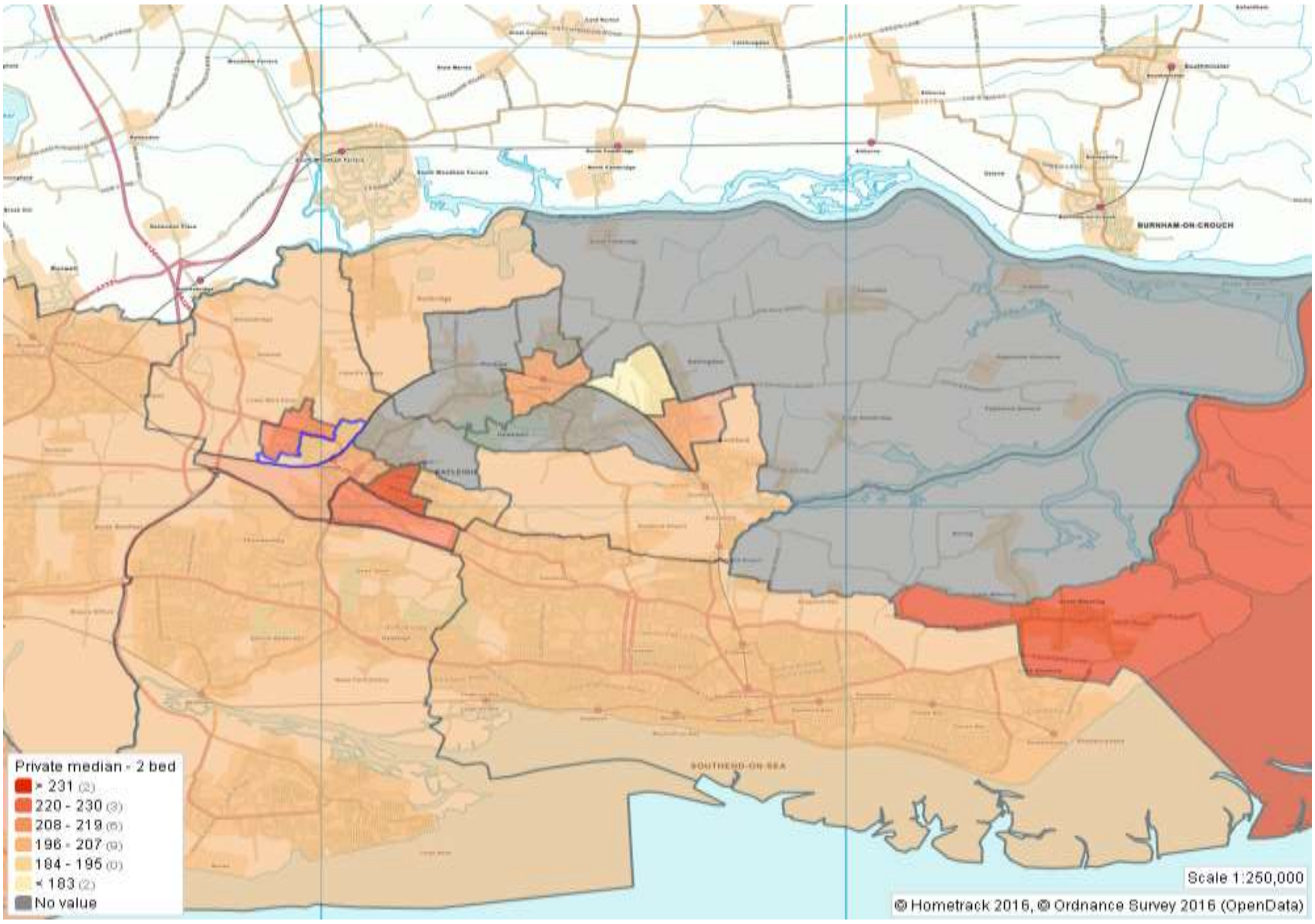
Private rented costs by Ward 1 BEDROOM



AREA	Average Rent (increase from last quarter)
Sweyne Park	£186 (+19)
Wheatley	£178
Hawkwell North	£167
Rochford	£137

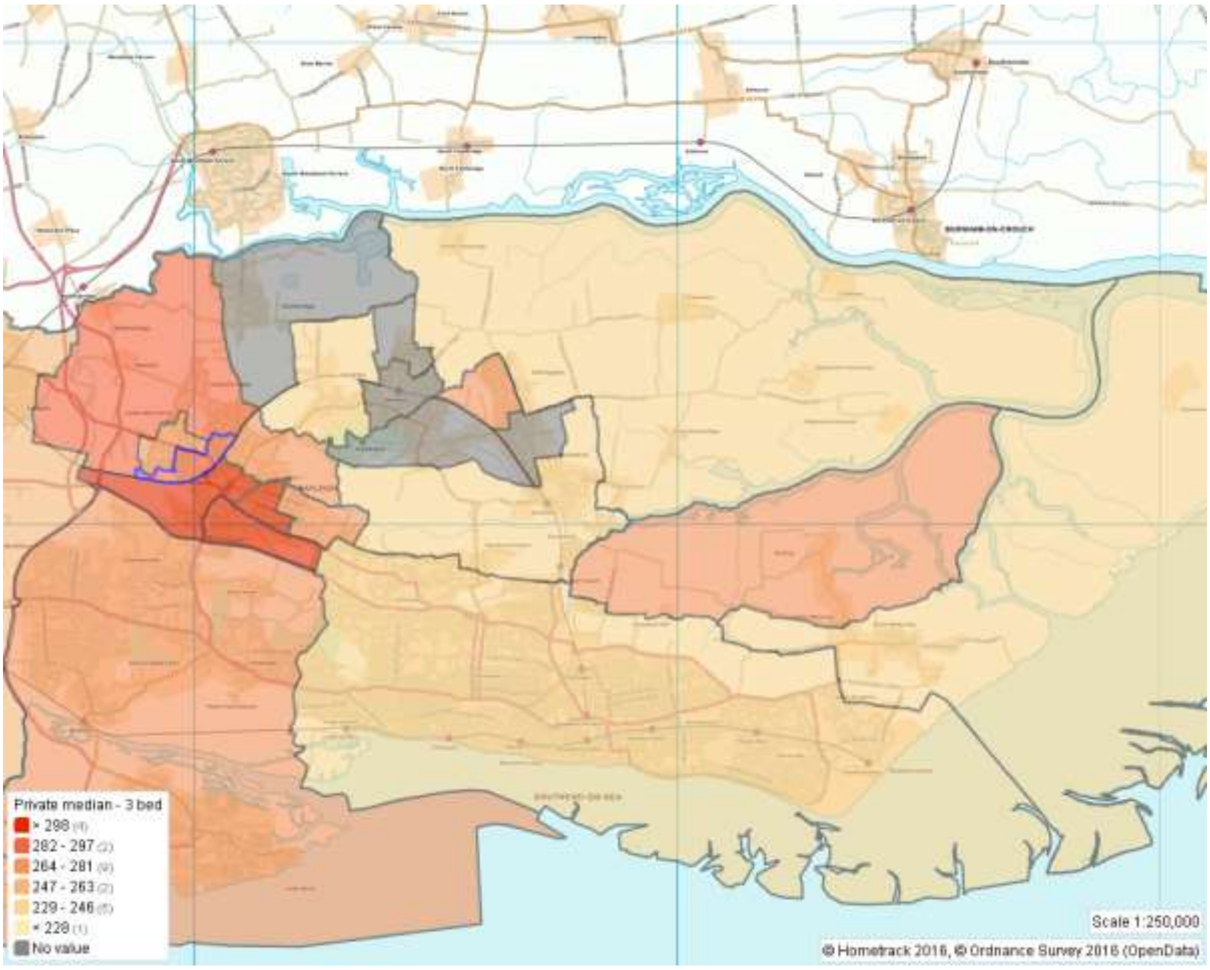
NB: No data for other areas, due to insufficient numbers.

<u>Private rented cost by Ward 2 BEDROOM</u>



AREA	Average Rent (increase from last quarter)
HULLBRIDGE	£196
LODGE	£196
NORTH HAWKWELL	£167
DOWNHALL	£206
ROCHFORD	£206
CENTRAL HOCKLEY	£219
WHEATLEY	£219
WHITEHOUSE	£221
SWEYNE	£233 (+6)
FOULNESS	£237
RAYLEIGH	£271 (+49)

Private rented cost by Ward 3 BEDROOM



AREA	Average Rent (increase from last quarter)
Ashingdon	£229
Rochford	£283 (+18)
Foulness/Wakering	£253
Barling/Sutton	£265
North Hawkwell	£265
Trinity	£300 (+12)
Lodge	£276
Whitehouse	£323
Wheatley	£329 (+6)
Downhall/Rawreth	£314 (+32)
Sweyne Park	£282 (+5)
Hockley West	£242
Grange	£282
Rayleigh	£300

APPENDIX 2 Local Homeless Trends

2016/17	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Number of new approaches made to the team	106	84	106	100	85	104	90	128	72
Number of cases where housing advice given during the month	94	64	95	78	60	62	65	90	57
Total no. of cases where homelessness is prevented/relieved	4	0	0	12	12	30	17	18	8
Homeless Prevention cost savings (weekly)	£700	0	0	0	£2,870	£8,155	£7,105	£6,755	£3,640
Total no of homeless applications taken	12	20	11	10	13	12	8	20	7
Total no. of homeless decisions made	8	16	17	11	11	15	7	15	9
No. of homeless applicants assisted into the private rented sector	1	0	0	0	2	1	1	3	0
Total No of households living in temporary accommodation	66	71	70	69	70	73	69	82	77
No of households in B&B/nightly paid/HMO	30	31	33	33	31	29	27	39	34
No of households with registered providers	35	39	36	35	38	43	41	42	42
No of households in private rented TA	1	1	1	1	1	1	1	1	1
Duty accepted Households in B & B for more than 6 weeks	8	6	7	8	8	6	4	9	4
Length of stay (weeks) in temp accommodation *(all discharge of duty cases at end of month)*									
B & B /nightly paid/HMO	33	28	11	55	118	60	28	6	31
Registered provider	101	59	170	54	180	111	53	47	62
Private rented	0	0	0	0	0	0	0	0	0
Numbers on housing register	605	635	709	740	747	745	765	778	808
Transfer list	44	50	68	72	72	68	68	70	73
Number of households rehoused from the housing register	6	16	6	7	8	7	7	6	7
Number of nominations to registered providers	17	7	5	13	7	24	9	7	9

APPENDIX 3

Homelessness Reduction Bill

Overview:

- It introduces requirements for local housing authorities to carry out homelessness prevention work with all those who are eligible for help and threatened with homelessness.

- A new duty to be placed on local housing authorities to take steps for 56 days (is currently 28 days) to relieve homelessness, by helping any eligible homeless applicant to secure accommodation.

- It requires local housing authorities to carry out an assessment of the applicant's needs and that the steps agreed between the local housing authority and the applicant are set out in writing in the form of a personalised plan.

- A new duty to be introduced which will be owed to certain applicants who deliberately and unreasonably refuse to co-operate with local housing authorities.

- The Bill specifies that local agencies should refer those who are either homeless or at risk of being homeless to local authority housing teams.

- Provision is also made for certain care leavers to make it easier for them to show they have a local connection.

What this means for Rochford?

The Association of Housing Advice Services has suggested that every Council needs to work out the expenditure attached to these new responsibilities:

1. IT changes needed to produce tailored housing plans for every homeless approach?

2. Additional staffing for all the new assessments for all singles, housing plans, increased contacts with applicants, home visits, county court duties, reviews, procurement, support?

3. Extra B&B and TA costs for accepting applicants before possession orders?

4. Costs of deposits/rent in advance for singles and development of prevention options?

5. An assessment of increased number of acceptances and cost of emergency accommodation /temporary accommodation/rent in advance and deposits as a consequence?

6. Legal costs of for an anticipated increase in legal challenges to the reviewable duties?