

Homelessness & Temporary Accommodation Pressures

Housing Select Committee

25 October 2016

Demand – London Context

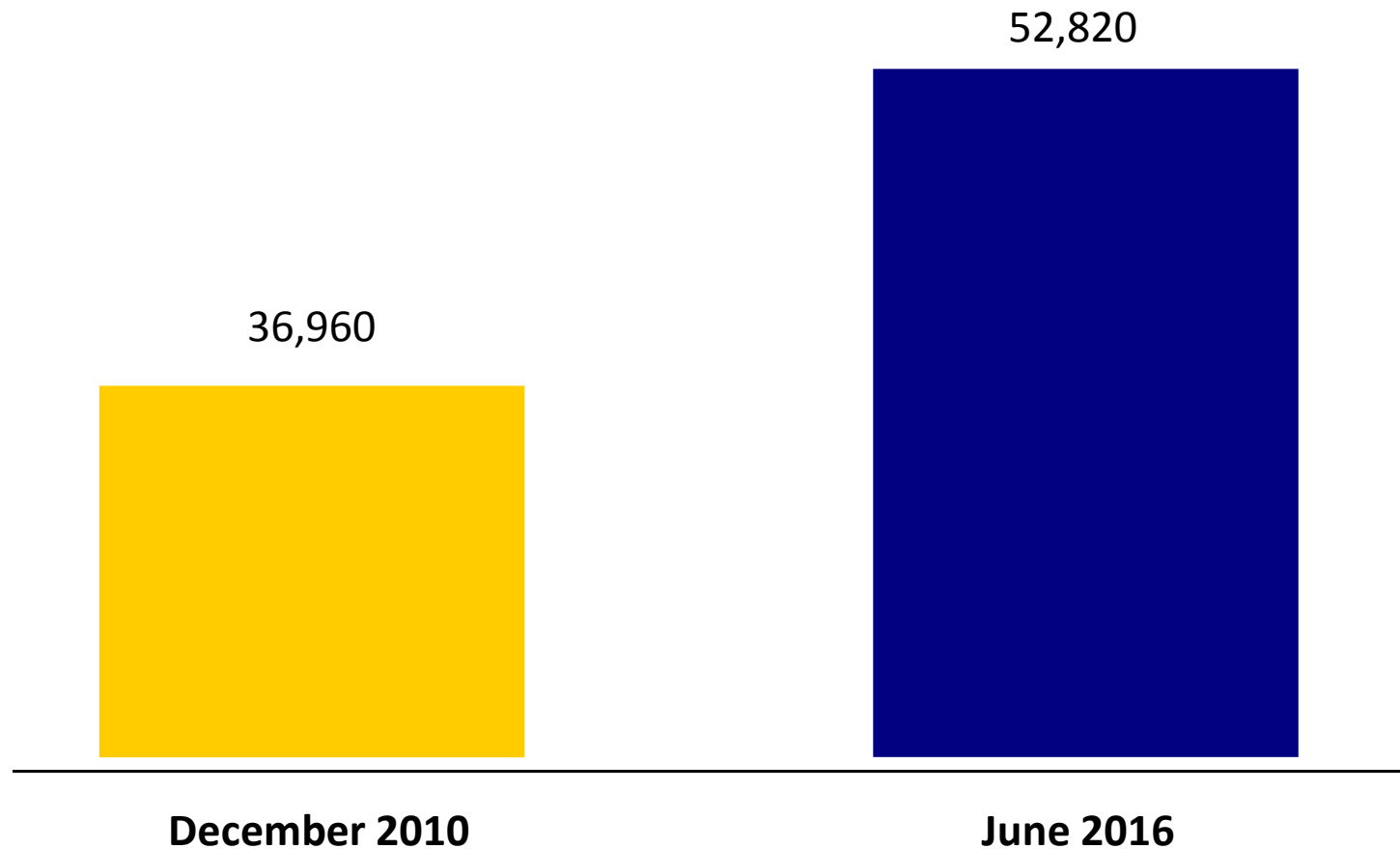
Homeless applications and acceptances across London:

- 19,200 homeless acceptances during 2015/16 - an increase of almost 10% on the number of acceptances in 2014/15

Number of households placed in temporary accommodation across London:

- 18,130 households in Nightly Paid accommodation in London at the end of 2015/16, an increase of over 18% since 2014/15
- 51,940 households in Temporary Accommodation in London at the end of 2015/16, an increase of almost 8% since 2014/15

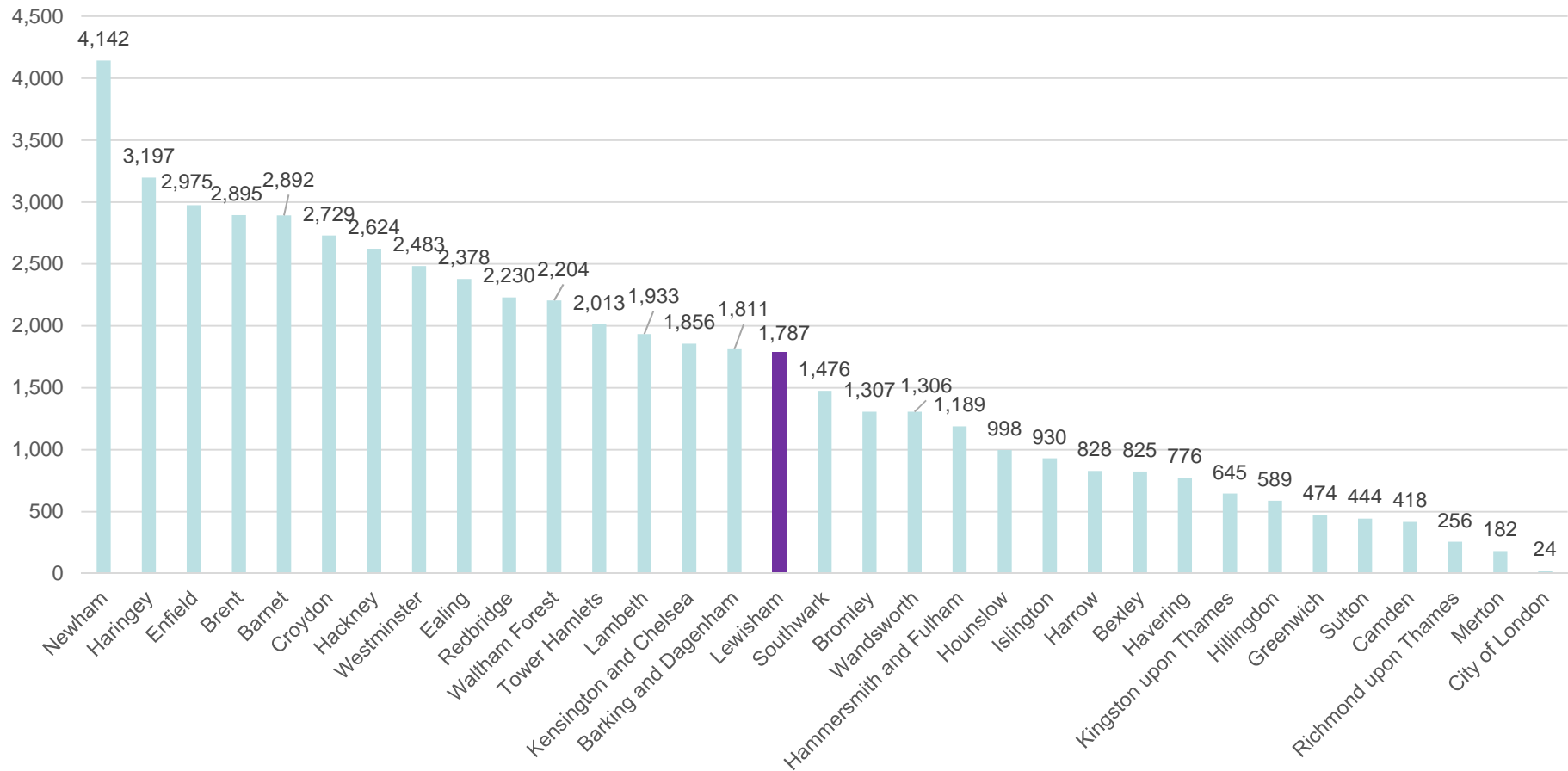
Households in Temporary Accommodation in London



The numbers placed in TA by London boroughs have increased by 38% in five years.

The TA issue is replicated across London

Number of Households in Temporary Accommodation – June 2016



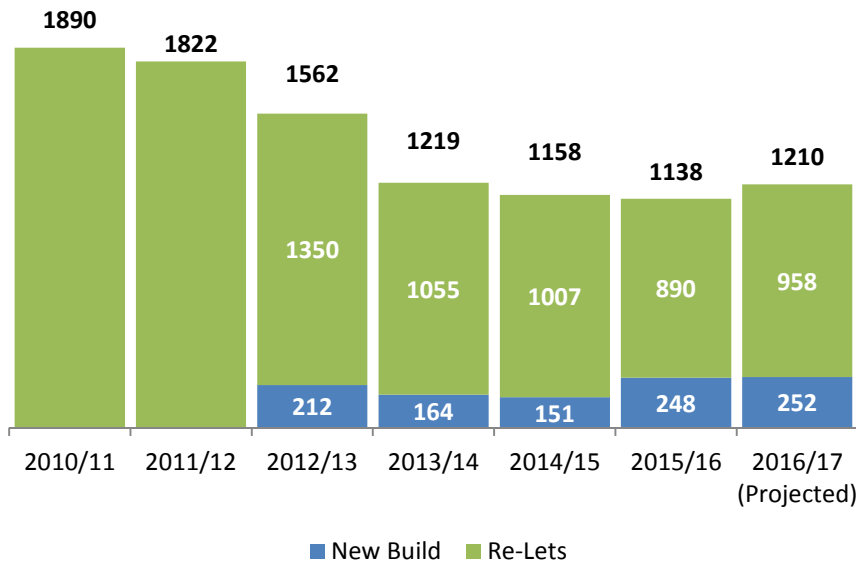
Supply and Demand - Lewisham

Supply of affordable lets has decreased significantly over the past 5 years, whilst demand has increased

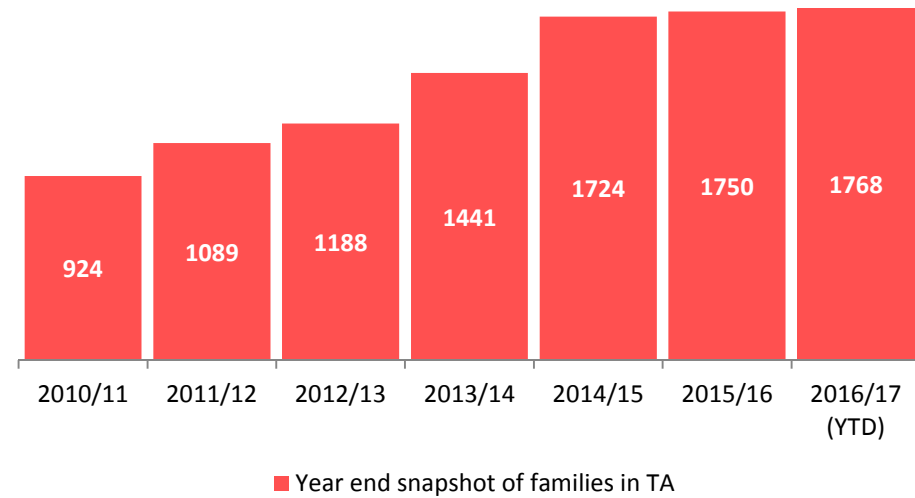
Available lets down by 40% between 2010/2011 and 2015/16, although at current trends a slight increase is predicted in 2016/17

Number of households in temporary accommodation up by 91% between 2010/11 and September 2016

SUPPLY



DEMAND

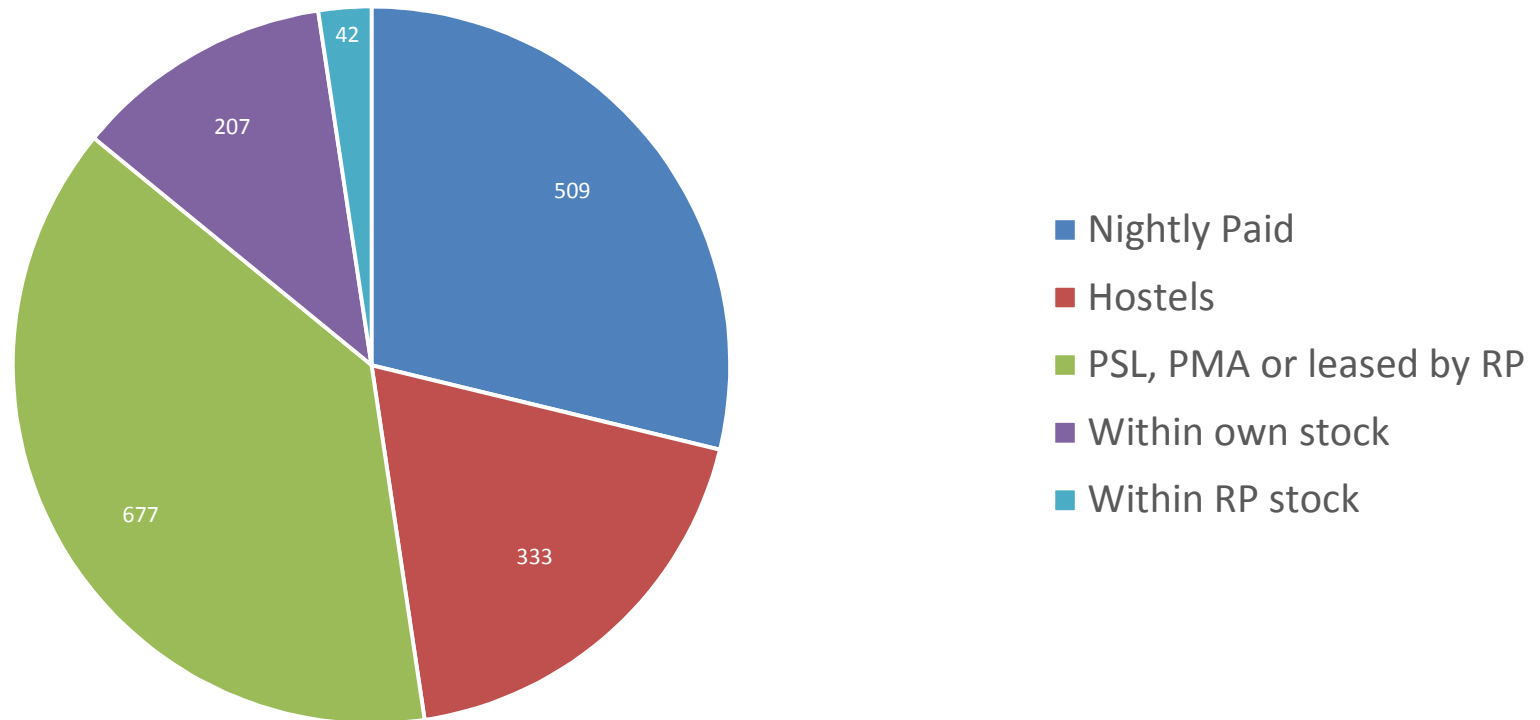


Data as of end September 2016

Temporary Accommodation - breakdown

- 1,768 households in temporary accommodation as at the end of September 2016
- 424 households in temporary accommodation out of the borough as at the end of September 2016, of which 384 are in Nightly Paid accommodation

Households in Temporary Accommodation



Temporary accommodation placements out of the borough

The table below shows the boroughs where homeless households are most frequently placed when it's not possible to procure temporary accommodation in the borough.

Borough	Number of placements
Croydon	93
Greenwich	71
Redbridge	45
Bexley	42
Southwark	36
Bromley	27
Lambeth	23
Newham	10
Wandsworth	10
Medway	9
Tendring	9

This is a snapshot from 19 October 2016.

Nightly Paid Accommodation - costs

Nightly Paid Rates				
Number of Bedrooms	Current Average Weekly Rate	LHA Rate (Inner South East London)		Shortfall
1	£257.02	£204.08		£52.94
2	£358.47	£265.29		£93.18
3	£432.01	£330.72		£101.29
4	£491.64	£417.02		£74.62

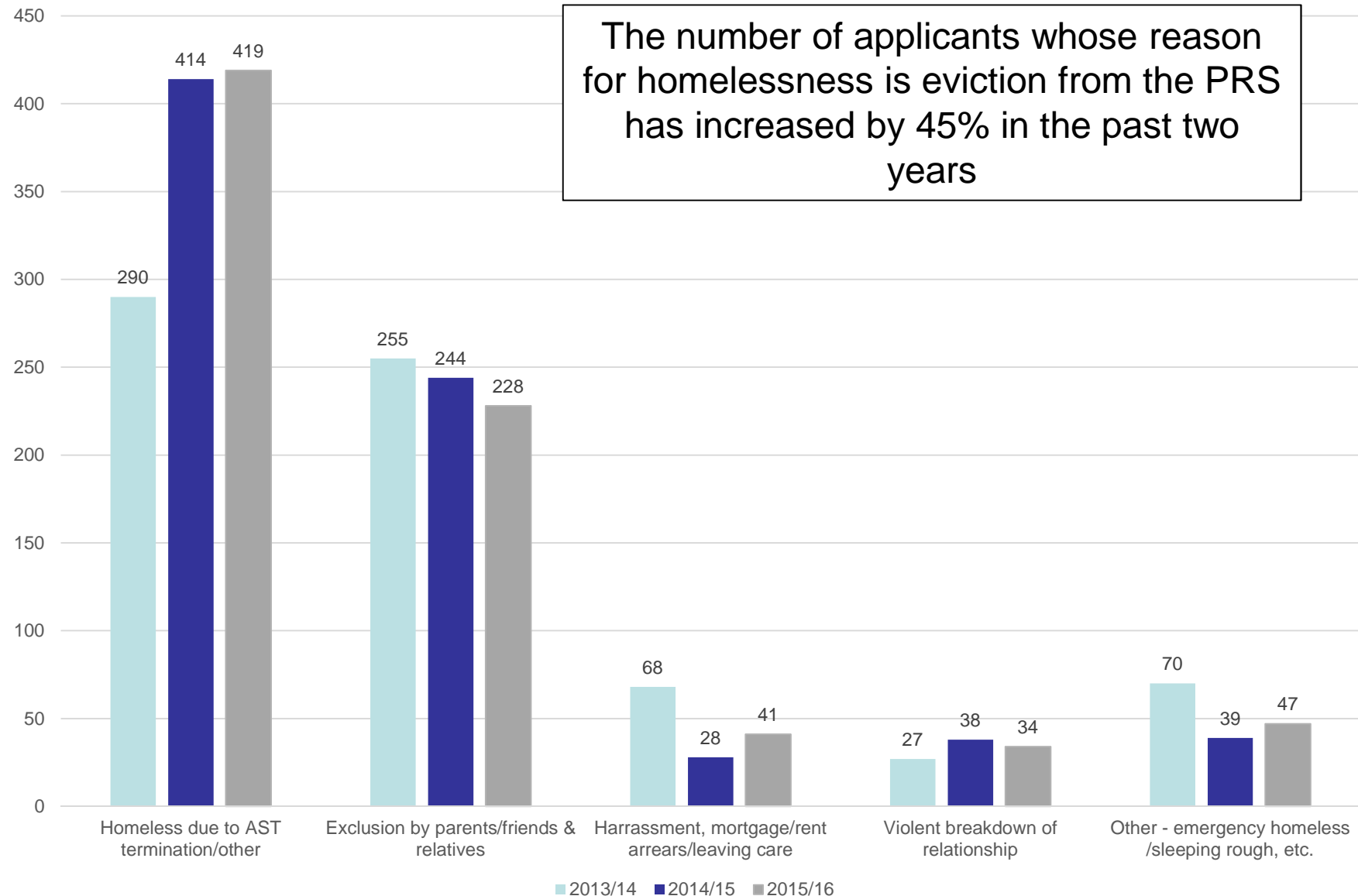
	Net Cost of Nightly Paid Accommodation
2011/12	£574,113
2012/13	£622,638
2013/14	£1,524,211
2014/15	£3,498,444
2015/16	£3,934,759

- The cost of nightly paid accommodation is increasing and LHA rates have been frozen.
- A big focus of recent work has been reducing the numbers in nightly paid – as show in the previous slides, this has now reduced.
- Still a substantial shortfall that must be met when placing clients in receipt of benefits into Nightly Paid accommodation.
- Pressure of increasing homeless applications continues

Main factors driving increased demand

- An increasing number of homeless households are evicted from the PRS
- Increasing unaffordability of the PRS in Lewisham and London
- Fewer new homes for sub market rent (social rent and affordable rent) are being delivered, as well as fewer affordable homes becoming vacant and available to let
- It is becoming harder for the Council to procure properties leased from private landlords to house homeless families due to the increase in rents and house prices which encourages them to put up rents or sell. House price growth is currently 18.7% in Lewisham compared with a London average of 4.6%.

The main factor driving demand: the PRS



Affordability by tenure

Tenure	Monthly cost	Estimated Gross Income Required
Social Rent	£373	£15,077
Living Rent	£969	£34,000
Median Household Income in Lewisham		£35,900
Shared Ownership (50%)	£1,296	£56,861
Median Market Rent	£1,300	£57,052
Outright Ownership (Resale)	£1,642	£73,765
Outright Ownership (New Build)	£1,894	£86,352

Increased Costs

Monthly Rates and Rents for a 2 bed property in Lewisham

- Between Nov 15 and March 16, the number of properties advertised at LHA decreased from 18 to 7
- For a household subject to the benefit cap, the median rent would represent 60% of their income – rising to 68% when the new lower cap comes in

Number of Bedrooms	Median Weekly Market Rent 2016	Local Housing Allowance Inner Lewisham
1	£242	£205
2	£300	£265
3	£380	£330
4	£462	£417

LHA 2016
– Inner SE
London

£1,150

Median
Rent -
2016

£1,300

Initiatives to reduce numbers in nightly paid and costs

The numbers in TA has stabilised over recent years due to the success of recent initiatives including:

- An increase in homeless prevention
- An increase in the supply of in-borough temporary accommodation including:
 - PLACE/Ladywell – 24 new units
 - Lewisham Homes acquisition programme – 60 new units to date
 - Hamilton Lodge – 21 new units completing soon
- ‘Location Priority’ Policy and Temporary Accommodation Strategy developed to provide a framework for placing homeless families into more affordable/cheaper areas out of borough/out of London – 12 units procured in Harwich
- IBAA

Impact of recent initiatives – numbers in nightly paid down

Recent interventions such as PLACE/Ladywell, properties in Harwich and increased preventions has had a significant impact on the numbers in nightly paid, which had previously been static



Further Initiatives to reduce numbers in nightly paid

- Changes to Allocations Policy – results of consultation will be reported back to next HSC meeting.
- M&C agreed on 19 October that officers should consult on the PRS Discharge policy – the consultation results will be brought back to M&C early next year.
- M&C agreed on 28 September that an additional loan should be extended to Lewisham Homes to continue the acquisition programme
- Canonbie Road hostel conversion to be completed next year
- Look for further acquisitions/expansions/new hostels
- Pan London Work to increase supply (eg using modern methods of construction like with PLACE/Ladywell) and coordinating procurement of TA

Homelessness Reduction Bill

- This is a Private Members Bill introduced by Bob Blackman MP, the Bill is due to have its second reading on the 28th of October. The homeless charity Crisis have secured the support of 100 MPs to back the Bill
- On 24th October the government announced that it is now supporting the Bill
- The Bill aims to increase local authority early intervention and prevention activity for all groups at risk of homelessness, including single people
- The period at which a person is threatened with homelessness is changed from 28 to 56 days
- The Bill states that all homeless people must have access to free advice and information.
- Local authorities will be required to carry out an assessment of what led to each applicant's homelessness, and set out steps to remedy this in an agreed, written plan.
- Local authorities will be required to help to secure accommodation for all eligible households who are threatened with homelessness, and at an earlier stage.
- Local authorities will be required to provide those who find themselves homeless with support for a further period of 56 days to help to secure accommodation.

Homelessness Reduction Bill

- Households in priority need who refuse to co-operate with prevention and/or relief activity will have to be offered a minimum of a 6 month private rented sector tenancy. They will not progress to the main homelessness duty.
- Households not in priority need who refuse to co-operate would be provided with advice and information only.
- All young people leaving care will be deemed to have a local connection in the area of the local authority that is responsible for providing them with leaving care services under the Children Act 1989.
- Applications will have the right to request a review in relation to the prevention and relief duties.
- The bill introduces a duty on specified local agencies to refer those either homeless or at risk of being homeless to local authority housing teams
- The Secretary of State will have the power to produce a statutory Code of Practice to raise the standards of homelessness support services across the country.

Homelessness Reduction Bill

- It is likely that the Bill would mean the number of cases managed by Lewisham's Housing Needs Service would increase by at least 2,200 cases per year – could be much more
- The amount of additional funding which will be given to local authorities is not yet clear
- The Bill has its second reading in the House of Commons on Friday 28th October, so it is still at an early stage of the process. If it does progress through Parliament, we would not expect it to come into force fully until Spring 2018 at the earliest.

Changes to temporary accommodation fee

- Current method for allocating the TA management fee to end in March 2017.
- Guarantee that LAs will not receive reduced funding in 2017/18.
- Expected that transition to a new model will be in 2017/18 with full commencement in 2018/19.
- DCLG have consulted informally with partners on future allocation model.
- DCLG preferred option (option3) is based on allocating funds dependent on number of homeless acceptances and preventions using PRS properties.

	Total Estimated TA Management Fee income 2015/16	Option 1 Total: Numbers in TA 30/03/16	Option 2 Total: Prevention and Relief + Homelessness Acceptances	Option 3 Total: PRS + Homelessness Acceptances
Lewisham	£2,231,840	£4,786,301	£1,148,417	£2,024,203