

REPORT TO: Policy and Performance Review Committee

MEETING DATE: 28 January 2014

BY: Depute Chief Executive – Partnerships and Community Services

SUBJECT: Impact of Changes to Homelessness Legislation

1 PURPOSE

- 1.1 To update members on the impact of the changes in the homelessness legislation which were implemented on 31 December 2012.

2 RECOMMENDATIONS

- 2.1 That the Policy Performance and Review Committee note the details of this report.

3 BACKGROUND

- 3.1 The homeless legislation changed in December 2012 with the removal of the assessment of priority need altering the homeless assessment process to a 3 stage assessment;
- a. Whether the applicant is homeless or threatened with homelessness
 - b. Whether the applicant is unintentionally homeless
 - c. Whether the applicant has a local connection with East Lothian
- 3.2 Where the applicant meets all 3 criteria the Council has a legal obligation to secure settled accommodation.
- 3.3 The Council also has a legal obligation to provide temporary accommodation, if required, throughout the assessment and re-housing process.
- 3.4 The demand for homelessness services has remained constant since 2008, with approximately 1600 applicants per year seeking assistance from the 3 services we provide, the Homeless Prevention, Response / Housing Options and Accommodation Services.

- 3.5 These applicants are almost all local applicants. Over the past 2 years around 90% of applicants have previous accommodation in East Lothian.
- 3.6 Where the previous accommodation has been outwith the county, applicants normally have a strong local connection with East Lothian generally as a result of family in the area. We refer relatively few applicants to other authorities on the basis that they do not have a local connection with that council.
- 3.7 The demand for homeless services is almost entirely “local” in nature, and reflects the housing pressures evident in East Lothian.
- 3.8 The table below illustrates the demand for the Council’s homeless services

Homeless Demand	2010/11	2012/13
Homeless Prevention	400	450
Housing Options	0	550
Homeless Assessments	1193	674

- 3.9 In April 2010, as part of our strategy to react to the forthcoming change in legislation in 2012, the Council introduced a Housing Options Service.
- 3.10 This service is offered to all homeless applicants, as an alternative to the more traditional homeless assessment approach.
- 3.11 The purpose of the Options Service is to advise applicants of housing opportunities across a range of housing sectors and to assist them to secure settled accommodation thereby preventing homelessness occurring.
- 3.12 There needs to be clarity that the Housing Options services **is not**:
- A means of avoiding the council’s statutory duties under the homelessness legislation
 - A process which an applicant can be compelled to access
- Either of the above could be seen as “Gate Keeping” by the Scottish Housing Regulator.
- 3.9 The outcomes of the Housing Options Service over the past 2 years are as follows:
- 2-3% of applicants secure public sector housing
 - 20 % of applicants secure or remain in accommodation whilst seeking alternative accommodation
 - 10% increase in use of the Rent Deposit Guarantee scheme to access accommodation in the private sector

- 40% of applicants are assisted to remain in their current accommodation
 - 23% of applicants are referred for homeless assessment when homelessness is unavoidable
- 3.10 In relation to the homeless assessment process during 2011/12 we accepted a housing responsibility for 550 applicants. Given the demands we face without the positive impact of the Options approach we would have expected to accept a full re-housing responsibility for around 860 applicants per year.
- 3.11 The Council normally expects to allocate around 500 vacancies in its own stock and to have access via nomination arrangements, to 50% of the vacancies of Registered Social Housing Landlords (RSL's), i.e. a further 60 houses per year. The nomination rate with RSL's is above the Scottish average, and reflects the positive working relationships with RSLs and the Council
- 3.12 In relation to the operation of the homeless assessment service, the outcomes for 2012 were as follows:
- The Council allocated 235 houses to homeless applicants from a supply of 524, which is 45% of our total allocations. The equivalent Scottish average is 41%. When transfers are discounted the "net" allocation rate was 62% compared to a national average of 52%.
 - These outcomes illustrate our ability to utilise the transfer process to meet the housing needs of existing tenants, such as downsizing requirements linked to Welfare Reform, whilst still addressing our other housing and homelessness obligations
 - Through its nomination arrangements the council successfully nominated 51 homeless clients to RSL properties which accounts for around 48% of allocations of general need housing in that sector.
 - The Scottish average for RSL allocations to homeless priorities is around 35%
 - Waiting time for those re-housed increased to 314 days (average waiting time) and is almost certainly going to increase further
 - Whilst not all applicants require temporary accommodation, many do, and as a result of increased waiting times for re-housing the time spent in temporary accommodation is increasing
 - There are specific difficulties as a result of our extremely limited supply of 2 apartment accommodation, both in our temporary and permanent stock.

- 3.13 The Council has carried assessed tenancy sustainment on a number of occasions, most recently for the 5 years between 2006 and 2011. This assessed how many applicants who were housed as homeless priorities were still in secure accommodation. The outcomes have been consistent at around 90% with the 2006-11 outcome being 91%.
- 3.14 Applicants for 2 apt accommodation are the main client group who are now considered as re-housing priorities following the legislative change. The impact has been that waiting times for that size of property have increased significantly, along with the time spent by clients in temporary accommodation.
- 3.15 We still rely on B and B accommodation as immediate temporary accommodation for single people. Until this year the number of clients entering B and B was being reduced, however since the change in legislation, that trend has stabilised and there is a real danger that the numbers entering B and B will increase.
- 3.16 At current B and B entry levels, the time spent in that form of accommodation is increasing and any increase in B and B use will increase the length of time people stay in such accommodation.
- 3.17 As well as being unsuitable accommodation from a client's perspective, this scenario also means significant increased financial expenditure from the Council's General Services Budget.

Future Challenges as a result of the 2012 Legislative Changes

- 3.18. There are a number of challenges facing the Council in relation to both the delivery of its homeless services and also in achieving its objectives of meeting a variety of housing needs within the operation of its housing services and allocations policy.
- 3.19 If homelessness were to significantly increase then the ability to meet these objectives would be jeopardised.
- 3.20 Some examples of the impact of an increase in homelessness include:
- 3.20.1 If a greater proportion of allocations are made to homeless clients then there may become a perception with a small number of applicants that homelessness is a "housing route" rather than a reaction to their circumstances. This in itself might lead to further homeless demand.
- 3.20.2 The implications of increased homeless demand are not only in relation to re-housing requirements but importantly in relation to the responsibility to provide temporary accommodation.
- 3.20.3 Any increase in demand could have significant financial implications for the council in meeting its temporary accommodation responsibilities.
- 3.20.4 The council has proactively sought to mitigate some of the impacts of Welfare Reform via its re-housing process.

- 3.20.5 At present a high proportion of allocations to smaller properties are being made to tenants subject to the “bedroom tax” - approximately 4% of 2 apartment allocations. This has already had a negative impact on waiting times for allocations to homeless clients, especially to single people.
- 3.20.6 Any further increases in homelessness could endanger the Councils ability to continue to assist those affected by the Welfare Reform changes.
- 3.21 The strategy being followed by Community Housing in meeting these and other housing challenges is undernoted.
- 3.21.1 Developing an improved Housing Advice Service, which will seek to meet with all applicants at the earliest possible stage to discuss and increase awareness of all housing opportunities, across a range of housing tenures and sectors.
- 3.21.2 The intention is that by doing so the Council can actively assist people to secure accommodation thereby preventing the possibility of future homelessness.
- 3.21.3 To continue to deliver Homeless Prevention Services which deal with clients from various tenures, who are in are potentially homeless but out with the time scales to be considered to be “statutory” homeless.
- 3.21.4 The intention is that by continuing to offer this service the Council can continue to actively assist people to secure accommodation thereby preventing the possibility of future homelessness.
- 3.21.5 This service presently has around a 90% success rate in preventing homelessness.
- 3.21.6 To continue to promote and deliver the Housing Options approach for those who are potentially homeless and who agree to consider the options service. This will ensure that all opportunities to prevent homelessness are reviewed and acted on.
- 3.21.7 To continue to develop protocols for “special need” client groups which provide housing options and solutions, with appropriate support if required, without homelessness occurring.
- 3.21.8 To review existing arrangements for groups such as those affected by the Welfare Reform changes to establish if the objectives of ensuring that tenants are not placed in severe financial difficulties can be addressed by means other than re-housing.
- 3.21.9 These approaches could reduce the impact of such clients in the re-housing process, and by doing so allow more allocations to be made to waiting list and homeless applicants, preventing future homelessness.
- 3.21.10 Where homelessness is unavoidable to ensure the quality of temporary accommodation meets all appropriate standards and the use of B and B accommodation is minimised.

3.19 Conclusions

- 3.19.1 The pressures faced by housing applicants in East Lothian are well recognised and to some extent the level of demand for homeless services reflect these pressures.
- 3.19.2 The changes in the homeless legislation increased the demands placed on the council as the statutory housing authority and as a direct housing provider.
- 3.19.3 The options facing the Council are to either continue in a traditional role of attempting to meet all housing needs from its inadequate supply or to develop alternative models of assisting clients to secure suitable accommodation and by doing so prevent homelessness.
- 3.19.4 The action taken by the Council since 2010 reflects some success in developing the approach of seeking an alternative approach of assisting applicants in meeting their housing needs and the strategy outlined above illustrates the actions being planned to build on that success.

4 POLICY IMPLICATIONS

- 4.1 None

5 EQUALITIES IMPACT ASSESSMENT

- 5.1 This report is not applicable to the well being of equalities groups and Equality Impact Assessment is not required.

6 RESOURCE IMPLICATIONS

- 6.1 Financial - The main financial implications of the 2102 legislation lie with the additional costs the Council will face in relation to the provision of temporary accommodation, principally in relation to increased B and B costs.

The Council has extended its use of temporary housing, the costs of which are met to some extent by the rent charged for such accommodation. However the costs incurred for B and B have increased significantly during this year. The gross B and B spend to the end of November was approximately £120k more than for the same period in 2012/13, due to an increased use of B and B and the increased time spent by applicants in such accommodation.

Whilst these costs are being contained within the current overall budget provision this is a worrying trend and potential significant budget commitment for the Council.

6.1 Personnel - None

6.2 Other - None

7 BACKGROUND PAPERS

7.1 None

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DATE	16th January 2014