

<b>1 October 2019</b>		<b>ITEM: 6</b>
<b>Housing Overview and Scrutiny Committee</b>		
<b>Homelessness Prevention and Rough Sleeping Strategy Report</b>		
<b>Wards and communities affected:</b> All	<b>Key Decision:</b> N/A	
<b>Report of:</b> Ryan Farmer, Housing Strategy and Quality Manager		
<b>Accountable Assistant Director:</b> Carol Hinvest, Assistant Director of Housing		
<b>Accountable Director:</b> Roger Harris, Corporate Director of Adults, Housing and Health and Interim Director of Children's Services		
<b>This report is</b> Public		

## **Executive Summary**

There is a statutory duty on every Local Authority to have a Homelessness Prevention and Rough Sleeping Strategy which sets out the local authority's plans for the prevention of homelessness and for securing that sufficient accommodation and support are, or will be, available for people who become homeless or who are at risk of becoming so.

The local authority must ensure that all organisations whose work can help to prevent homelessness and/or meet the needs of homeless people are involved in the strategy.

The current homelessness strategy was adopted in Thurrock in 2015.

A new Homelessness Prevention and Rough Sleeping Strategy is now being developed which takes into account current homelessness in the borough, the introduction of the Homelessness Reduction Act 2017, the impact of recent welfare reforms, and new opportunities for preventing homelessness. The purpose of this paper is to advise Housing Overview and Scrutiny Committee of progress to date, including the results of analysis, the identification of themes and to provide an opportunity for consultation with the Committee on the development of the final strategy and action plan.

A draft of the refreshed Homelessness Prevention and Rough Sleeping Strategy will be brought to Housing Overview and Scrutiny Committee in December 2019.

### **1. Recommendation(s)**

**1.1 Housing Overview and Scrutiny Committee are asked to note the contents of this report, and comment on the themes identified to develop a new homelessness prevention and rough sleeping strategy.**

## **2. Introduction and Background**

2.1 Following the introduction of the Homelessness Act 2002, every local authority was required to carry out a homelessness review, then formulate and publish a homelessness strategy based on the findings of the review.

2.2 The 2002 Act also requires local authorities to publish a new homelessness strategy, based on the result of further homelessness analysis, within five years of the publication of their last homelessness strategy. Local authorities are able to undertake homelessness reviews and publish homelessness strategies more frequently if circumstances change.

2.3 Thurrock Council last published its homelessness prevention strategy in November 2015. A kick-off paper was presented at Housing Overview and Scrutiny Committee in February 2019 which outlined the plans for the development of a refreshed document.

## **3. Homelessness Strategic Analysis**

3.1 A range of strategic analysis has taken place, which considered the various factors affecting the provision of homelessness services across the borough. This analysis primarily looked at:

- national context, considering matters such as national trends, changing legislation/case law, welfare reform, and regional factors affecting homelessness
- local strategic context, considering the wider corporate priorities, and strategies from across the Council and other partner organisations
- local housing context, considering reasons and trends in homelessness across the borough such as rising levels of housing unaffordability in Thurrock, household composition, and the supply of accommodation across tenure types in the borough.

### **3.2 National Context**

3.2.1 There have been a number of developments in case law and legislation since the homelessness prevention strategy was last published, most notably the enactment of the Homelessness Reduction Act 2017 which was widely welcomed by homelessness charities and support organisations. This Act amended and introduced a number of measures, including:

- Enhanced advice and information about homelessness and the prevention of homelessness
- New duties to prevent and relieve homelessness for all those who are eligible for assistance, regardless of intentionality or priority need

- An extension of the period of time where people are considered to be 'threatened with homelessness' by local authorities
- New personalised housing plans and assessments which outline the steps which both the individuals and the local authority will take to attempt to secure accommodation
- A new duty for specified public authorities, such as prisons and hospitals, to refer service users who they believe to be homeless or at risk of homelessness to local authority homelessness services

The primary function of the 2017 Act places greater emphasis on the prevention of homelessness and has significantly adjusted the criteria of those who approaching the Council who are eligible for assistance.

3.2.2 Other important changes to legislation include the Welfare Reform and Work Act 2016, which introduced a cap on the total amount of benefits which individuals and couples were eligible to claim, including aspects such as Universal Credit, Housing Benefit and Child Benefit.

3.2.3 In addition to this, a freeze of Local Housing Allowance (LHA) rates was announced in 2015 which was set to run for four financial years from April 2016 to March 2020. LHA rates vary regionally across the country and they determine the amount of Housing Benefit or Universal Credit housing element that a claimant is eligible to receive. Whilst LHA rates have remained at the same level since 2016, private rental costs have increased.

3.2.4 Finally, the full Universal Credit roll-out for new claimants began in Thurrock in October 2017, replacing 'legacy benefits' such as Housing Benefit. These factors have had substantial impact upon the ability of households to secure and sustain tenancies in the private rental sector.

### **3.3 Local Strategic Context**

3.3.1 Work is currently underway to develop a new Welfare Reform Strategy for use across the Council, which will inform the action plan that is due to be published, managed and monitored alongside the Homelessness Prevention and Rough Sleeping Strategy.

3.3.2 In addition, the development of a refreshed Housing Strategy is due to begin imminently, with a kick-off paper elsewhere on the agenda for this meeting. Whilst the Homelessness Prevention and Rough Sleeping Strategy will go some way to addressing key issues affecting the provision of homelessness services, the Housing Strategy may be able to identify and tackle some of the wider factors that directly and indirectly affect the housing need of Thurrock's residents.

3.3.3 Peer reviews of the Council's homelessness services have recently taken place by two industry experts, namely Shelter and the National Practitioner Support Service (NPSS). Positive feedback was received regarding a number of elements. Additional areas have been identified for further development,

which will feed into both the Homelessness Prevention and Rough Sleeping Strategy and the Housing Solutions Customer Excellence Programme.

### 3.4 Local Housing Context

3.4.1 Since the introduction of the Homelessness Reduction Act in April 2018 the Council has experienced an increase in the number of households which are homeless or at risk of homelessness that have approaching the Housing Solutions service for assistance.

	2017-18	2018-19	2019-20
April to July	437	523	690
April to March	1395	1605	2070 (forecast)

\*Forecast

In 2018-19, the first year of the Homelessness Reduction Act, the number of households approaching the service increased by 15% compared to the year before. In the months between April and July 2019, the service has seen a 32% increase in approaches compared to the same period in 2018-19, and a 58% increase in approaches compared to April to July 2017.

3.4.2 Approximately 50% of households that approach the Council for assistance do so because of the termination, or risk of termination, of a tenancy in the private rental sector. Exclusion by family and friends accounts for the reason for homelessness cited by around 40% of households.

3.4.3 The Homelessness Reduction Act places greater emphasis on the Council assisting homeless applicants to prevent or relieve their homelessness. In some instances this is not possible, however the Council may still have a duty to secure accommodation if the applicant is eligible for assistance, is homeless or at risk of homelessness, has a priority need and is not intentionally homeless. In 2018/19, 58% of households owed this duty were comprised of a lone female parent with a dependent child or children, 15% were couples with a dependent child or children, and 3% were a lone male parent with a dependent child or children.

3.4.4 85% of applicants owed the rehousing duty had an identified priority need as a result of dependent children or pregnancy within the household. 9% of households had an identified priority due to physical disability, and finally mental health illnesses accounted for 6% of the households.

3.4.5 There have been significant changes in the housing market in Thurrock during the lifetime of the current Homelessness Prevention Strategy. These have led to increased challenges surrounding affordability in the borough for both residents attempting to find secure accommodation and for the Council to fulfil its rehousing duty.

3.4.6 Firstly, between February 2014 and February 2019 the average house price increased by 50%, from £199,666 to £298,694. Whilst the average house

price in Thurrock remains lower than in the neighbouring South Essex boroughs of Basildon, Castle Point, Rochford and Southend, the percentage increase experienced in Thurrock between 2014 and 2019 is greater.

3.4.7 There have been increases in property purchase prices across all sizes and types in the above period, as illustrated in the below table.

Property Type	Feb 2014 Value	Feb 2019 Value	% increase	£ increase
1 bed flat	£97,725	£149,643	53.1%	£51,918
2 bed flat	£129,129	£197,865	53.2%	£68,736
2 bed house	£178,653	£279,051	56.2%	£100,398
3 bed house	£205,486	£316,043	53.8%	£110,557
4 bed house	£291,783	£438,840	50.4%	£147,057

3.4.8 Analysis of household income data indicates that 59.8% of Thurrock households have a gross income of £40,000 or less. Further analysis of property purchase affordability indicates that a household income of £35,000-£40,000 is required for a first time buyer to purchase a flat or maisonette in Thurrock. This means that approximately 52.9% of Thurrock households would not meet the affordability requirements to purchase the smallest types of property available on the housing market. For terraced houses, semi-detached houses and detached houses, the percentage of first time buyers in Thurrock that would not be able to afford to purchase these types of properties are 76.6%, 84.2% and 92.4% respectively.

3.4.9 The average weekly cost to rent in Thurrock has also increased over the past five years. The table below illustrates both the lower quartile (LQ) and average weekly costs of renting by property size in both 2014 and 2019.

Property Type	2014		2019		Increase %		Increase £	
	LQ	Average	LQ	Average	LQ	Average	LQ	Average
1 bed	£129	£139	£166	£172	29%	24%	£37	£33
2 bed	£162	£174	£207	£219	28%	26%	£45	£45
3 bed	£196	£218	£265	£276	35%	27%	£69	£58
4 bed	£277	£296	£336	£357	21%	21%	£59	£61

This data indicates that to rent an average one bed property for 52 weeks in 2019, a household would be paying £8,944, compared to £7,228 for 52 weeks in 2014. This represents an increase in housing costs of £1,716. The annual increase to rent a two, three or four bedroom property for 52 weeks between 2014 and 2019 is £2,340, £3,016 or £3,172 respectively.

3.4.10 The most recent earnings by place of residence dataset published by the Office for National Statistics gives the below mean gross salary for Thurrock. A calculator has been used to show the net income based on deductions for income tax and national insurance for the 2019-2020 financial year.

	<b>Gross</b>	<b>Net (2019/20)</b>
Thurrock Mean Salary	£28257	£22751

According to the Joseph Rowntree Foundation, the maximum Housing Cost to Income Ratio (HCIR) in order for accommodation to be considered to be affordable would be 1:3. This means that if a household is spending more than a third of its net income on accommodation costs, that accommodation would not be deemed to be affordable.

3.4.11 The below table illustrates the average housing cost affordability for households with one or two full-time earners in comparison with lower quartile and average rents

	<b>Average weekly affordability (1x FT salary)</b>	<b>Average weekly affordability (2x FT salary)</b>	<b>1 bed</b>	<b>2 bed</b>	<b>3 bed</b>	<b>4 bed</b>
Lower Quartile	£146	£292	£166	£207	£265	£336
Average Rent			£172	£219	£276	£357

3.4.12 This table indicates that for a household with a single full-time average income, weekly rents in the private sector are not affordable across all property sizes. A household with two full-time average incomes may find the private rental sector more affordable for properties with one or two bedrooms, however would experience less affordability with three or four bedroom properties.

3.4.13 There are also significant shortfalls between the maximum Local Housing Allowance (LHA) rate and current weekly rents in the private sector. The table below displays the current weekly LHA rates for one, two, three and four bedroom properties as well as the weekly shortfalls between the LHA rates and average rental costs.

	<b>1 bed</b>	<b>2 bed</b>	<b>3 bed</b>	<b>4 bed</b>
LHA Rate	£136	£171.08	£199.80	£266.65
Lower Quartile Shortfall	£30	£35.92	£65.20	£69.35
Average Rent Shortfall	£36	£47.92	£76.20	£90.35

3.4.14 As demonstrated in the above table, the current LHA rates are not sufficient for average rental values in Thurrock. A claimant in an average one bedroom private rental property would have an annual shortfall of £1,872 between the cost of renting and the amount of Housing Benefit or Universal Credit housing element.

#### **4. Homelessness Prevention and Rough Sleeping Strategy Themes**

- 4.1.1 A series of stakeholder meetings have taken place so far in order to understand the issues affecting homelessness in the borough. The main causes of homelessness in Thurrock are the loss of a private sector tenancy and exclusion by family and friends, however the fundamental principle that has informed all activity to date is that homelessness is not simply a housing issue, but is instead a complex social problem.
- 4.1.2 The first theme that has been identified therefore focuses on true partnership and collaboration, not only between Council services but also with public bodies such as NHS Trusts, Police and neighbouring local authorities, as well as homelessness charities, registered providers and other organisations that support those who are homeless, or at risk of homelessness.
- 4.1.3 This approach is necessary, as homelessness can be both a cause and result of factors beyond the boundaries and knowledge of the Housing service. There are examples of local authorities establishing homelessness partnership boards that bring experience and expertise together to address these key issues and make a joint commitment to tackling all forms of homelessness, including rough sleeping.
- 4.1.4 A major factor currently experienced in Thurrock is the number of households being placed in the borough by other local authorities, either within temporary accommodation or as a final placement. This impacts upon the availability of accommodation for the Council to secure as accommodation for its own residents, but also has an impact on the resources of the partners listed above.
- 4.1.5 These partners may also be aware of households or individuals who are homeless or at risk of homelessness, but have not approached the Housing Solutions team for assistance. There may be a range of reasons for this, however increased relationships between organisations may help to encourage those who are often most vulnerable to seek assistance with the right support.
- 4.1.6 Lastly, new community groups, voluntary organisations and charities are set up which work with those who are homeless or at risk of homelessness, however the Housing Solutions team may not always be made aware. By establishing a cross-sector network, it will ensure that all partners can be kept informed of new developments across organisational boundaries.
- 4.1.7 A second theme will focus on the health and wellbeing of those who approach the Council's homelessness service for assistance. The uncertainty that the loss of secure accommodation brings and its effect on daily life can have a substantial impact on general wellbeing, however there are often a number of other physical or mental health needs for which an applicant may require support.
- 4.1.8 Defined referral pathways between partners can be developed, redesigned or republished to help applicants to access the services that may be able to

assist their wellbeing and provide support for specific needs. Opportunities can also be explored to allow improved access to health services, especially for those who are rough sleeping or have no fixed address.

- 4.1.9 Thirdly, a theme will be explored surrounding the provision and accessibility of accommodation for those who approach the Council for assistance. There are significant pressures on finding and securing affordable accommodation in Thurrock, not only in the private rental sector but within social housing as well. Demand far outstrips supply for the Council's own stock, although there are a number of ongoing new build schemes, and there is a disproportionately small amount of housing association properties within the borough as an alternative.
- 4.1.10 Affordability is a key factor in securing accommodation. Through the development of a partnership approach, it may be possible to improve financial inclusion or increase access to employment opportunities, thereby increasing the number of affordable options available to applicants.
- 4.1.11 Additional challenges in this area include competition to secure stock within Thurrock with other local authorities with greater financial resources. Work is ongoing to develop a local offer to engage with local landlords and reputable lettings agents in order to build positive and beneficial relationships for the supply of properties.
- 4.1.12 It may also be possible to explore new options for emergency, temporary and permanent accommodation. Work is underway to bring Brooke House into use as more in-borough temporary accommodation, and it may be possible to explore options for night shelter provision within Thurrock. Further engagement with housing associations is also due to take place, with a view that further development of new social housing may be undertaken.
- 4.1.13 Finally, an important factor in the delivery of the Homelessness Prevention and Rough Sleeping strategy, as well as the day-to-day service provision, are the homelessness teams themselves. Officers serve as a vital link between partners, other professionals, housing providers and the households approaching the Council for assistance.
- 4.1.14 It is recognised that intense levels of support are required for some applicants, including rough sleepers, as well as an understanding of complex legislation and guidance in order to make correct decisions within defined timeframes. A key part of the Housing Solutions Customer Excellence Programme, and therefore the Homelessness Prevention and Rough Sleeping Strategy, is ensuring that staff receive ongoing training and development.
- 4.1.15 Officers will need to build new connections as well as reinforce existing relationships between the service and its partners in order to make best use of the knowledge and expertise available. Further areas for development are outlined in the Housing Solutions Customer Excellence Programme report.

## **5. Action Plan**

- 5.1 Once the themes have been finalised, an action plan will be developed to sit alongside the Homelessness Prevention and Rough Sleeping Strategy. Throughout all elements of partner engagement and consultation to date, it has been a shared aspiration that the action plan is a document which is jointly owned by partners to ensure that the best outcomes can be achieved by using the skills, knowledge and expertise of each organisation.

The action plan will be regularly monitored and updated to make sure that progress is made and that key actions are delivered within defined timeframes. A group will be responsible for this activity; formed either as a part of the existing Mental Health and Homelessness Forum or as part of a new partnership board which will be established. To ensure that there is appropriate oversight of the action plan, an annual update will be provided to Housing Overview on Scrutiny Committee.

## **6. Reasons for Recommendation**

- 6.1 As outlined, the Council has a statutory duty to ensure that it carries out regular analysis of homelessness in the borough and publishes a refreshed homelessness strategy at least every five years. The current strategy therefore requires a published refresh by November 2020.
- 6.2 Due to the significant changes since 2015 in welfare reform, homelessness legislation and housing provision in the borough, it is recommended that a draft Homelessness Prevention and Rough Sleeping Strategy is brought to Housing Overview and Scrutiny Committee in late 2019 so that the document can be published ahead of the statutory deadline.

## **7. Consultation (including Overview and Scrutiny, if applicable)**

- 7.1 As set out in the Homelessness Code of Guidance published by MHCLG, the Council must consult public or local authorities, voluntary organisations and other people considered appropriate before adopting or modifying a homelessness strategy.
- 7.2 Consultation activity that has taken place so far includes face-to-face sessions with Council staff and partner agencies, statistical analysis, and presentations to other key Council services, committees and boards.

Close work has and will continue to take place with a range of partners and service providers, such as the membership of the Council's Homelessness and Mental Health Forum, including NELFT, St Mungo's, Open Door, SERRIC, Mind, and Changing Pathways, and newer organisations such as the Friends of Essex and London Homeless.

- 7.3 As key themes have started to emerge, specific activity will take place with individuals that have engaged with the Council's Housing Solutions service. This will ensure that meaningful and appropriate actions can be identified to

address these matters, and can therefore be included in an informed action plan that will sit alongside the strategy.

7.4 The final draft of the Homelessness Prevention and Rough Sleeping Strategy will be presented to members of the Housing Overview and Scrutiny Committee in December 2019 for a final review.

8. **Background papers used in preparing the report** (including their location on the Council's website or identification whether any are exempt or protected by copyright):

- Homelessness Code of Guidance for Local Authorities, MHCLG

## 9. Implications

### 9.1 Financial

Implications verified by: **Mike Jones**  
**Strategic Lead, Corporate Finance**

By undertaking work to analyse homelessness in the borough and developing a new strategy in line with the preventative aims of the Homelessness Reduction Act 2017, it is hoped that the costs associated with the provision of services will reduce.

### 9.2 Legal

Implications verified by: **Tim Hallam**  
**Acting Head of Law, Assistant Director of Law and Governance and Monitoring Officer**

Section 1(1) of the Homelessness Act 2002, requires a Local Authority to review homelessness in its area and to produce a strategy under s1(3). Section 1(4) requires that the strategy is reviewed and updated every 5 years, although Local Authorities may do this earlier/more frequently than that. The Homelessness Reduction Act 2017 changes should be reflected in such a strategy. Thurrock Council must comply with the legal requirement of having an updated strategy within five years of publication of its last strategy.

### 9.3 Diversity and Equality

Implications verified by: **Natalie Warren**  
**Strategic Lead, Community Development and Equalities**

As outlined within this report and set out in the Homelessness Code of Guidance, consultation activity must take place with other public bodies, voluntary organisations, service users and other identified stakeholders before a new strategy can be implemented. By undertaking a homelessness review, a broad range of stakeholders throughout the community can be identified and involved in the activity to develop a holistic strategy. The consultation results will help to inform a Community Equality Impact Assessment prior to implementation of the strategy to identify and address any issues affecting those within the protected characteristics.

9.4 **Other implications** (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

- None

10. **Appendices to the report**

- None

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