

<b>COMMITTEE</b>	<b>Scrutiny Committee- Care</b>
<b>DATE</b>	<b>21st September 2017</b>
<b>CABINET MEMBER</b>	<b>Councillor Craig ab Iago</b>
<b>TITLE</b>	<b>Homelessness Report</b>

## **1.0 Introduction**

- 1.1 Homelessness is one of the Council's statutory responsibilities and there are a number of legal duties that the Council must respond. The responsibilities are set out in the Housing (Wales) Act 2014 and the Council is required to assess the needs of any person who presents as homeless or is threatened with homeless. In addition, there is a duty to provide accommodation for vulnerable individuals (in priority need).
- 1.2 The purpose of this report is to outline some issues that influence the direction of services for homeless people in Gwynedd and highlight elements that create pressure.

## **2.0 Statutory Duties**

- 2.1 The Housing (Wales) Act 2014 came into force in April 2015. This new Act has placed a number of additional statutory responsibilities upon the Council, including:
- i) a duty to assess the accommodation and support needs of everyone who is homeless or threatened with homelessness
  - ii) a duty to assist anyone who is threatened with homelessness within 56 days to help prevent homelessness
  - iii) a duty to provide assistance to any homeless person to help them secure a home
- 2.2 In addition, the Council continues to have a duty to provide temporary accommodation for people in priority need if it is not possible to find them somewhere else to live.
- 2.3 There is no requirement to be in priority need to be eligible for a duty under 2.1 (i), (ii) and (iii), and as a result more single people receive help where they did not qualify under the old legislation.

### 3.0 The effect of the New Act on the service

- 3.1 Following the changes to the Homelessness Legislation there has been a significant increase in the number of people who require assistance

Number of referrals to the Service	
2014/15	560
2015/16	648
2016/17	722

The above statistics show an increase of **28.9%** between 2014/15 and 2016/17

- 3.2 Cases can be open for a much longer period because the duty to prevent homelessness starts within 56 days of becoming homeless, and after that, if we cannot prevent homelessness, the duty to find another property is open for a further 56 days. The burden of cases is heavier on officers because of this change.
- 3.3 In addition, the burden of paperwork has increased due to the statutory requirement to provide each applicant a written notification of what duty is relevant to their case and a notice when that duty ends and moves to a new duty.
- 3.4 Officers spend more time looking for affordable property in the private sector, which proves difficult due to a number of factors, such as changes in the welfare benefit regime, high rent rates, and a lack of one bedroom accommodation.
- 3.5 Although the numbers that have gone in to temporary accommodation have reduced, due to the successful homelessness prevention work, those who have received temporary accommodation have had to wait there for longer periods while waiting for suitable permanent properties.

### 4.0 Measures

- 4.1 The Homelessness Unit has to report on a number of measures to the Welsh Government and also measure the success of the service against two local measures. There is a decline in performance on both local measures that reflect the pressures facing the service.
- i) The time it takes to achieve what is important to the client-  
**77.73** days in 2016/17 compared to 69.08 days in 2015/16
  - ii) Period spent in temporary accommodation-  
**104.44** days in 2016/17 compared to 70.52 in 2015/16

4.2 Despite this decline, the service is performing well compared to other authorities, who also report an increase in workload.

## **5.0 Transitional Grant Funding**

5.1 In order to assist Local Authorities in implementing the new Act and to fulfil the new duties, the Welsh Government has awarded transitional grant funding for a period of three years. The grant is specific for work that is targeted at preventing homelessness.

5.2 The additional funding has enabled the service to employ three temporary additional officers and set up a homelessness prevention fund. The main work has been involved in working with private landlords to encourage letting property to people on low incomes on affordable rent; pay deposits to secure private property; provide advice and support on welfare benefits; provide a dedicated service for prison leavers; and provide tenancy support for vulnerable people to ensure that they sustain their tenancies.

5.3 The transitional grant will expire on **31 March 2018** and the Welsh Government has not committed to any subsequent grants thereafter.

5.4 Without the transitional funding the service would not have been able to cope with the changes or have so many successful outcomes with homelessness prevention.

## **6.0 Context**

6.1 Gwynedd Council has for many years placed an emphasis on trying to prevent homelessness as we believe these efforts improve consumer experience and lead to greater stability for users and families as their networks can be maintained. This work also proves to be more cost effective. The new Housing Act reinforces the need to focus on preventing homelessness. However, a number of factors affect our ability to get positive results for the vulnerable client group.

### **6.2 Identifying suitable accommodation for homeless people**

There are significant challenges in identifying properties for certain groups, namely single people and people with complex needs, e.g. people with severe mental health problems, prison leavers, and people with alcohol and drug misuse problems. An increasing number of people with high needs are discharged from hospitals to the community where supported accommodation has now disappeared. In addition, there is a general lack of one bedroom properties and supported housing in the County.

Looking at people leaving prison as an example, in 2016/17 Gwynedd had the second highest referral of prison leavers in North Wales, whilst the number of supported accommodation units in the County is the second lowest

### 6.3 Changes in the Welfare Benefit System

There is a significant challenge resulting from the reform of the benefits system that has a significant impact on particular groups and imposes a burden on the service. A high number of people receive housing benefit that is less than private and social rent, resulting in the need to find extra money to cover accommodation costs which puts pressure on the sustainability of tenancies

6.3.1 The research report undertaken by 'Policy in Practice' was commissioned, with the help of a Welsh Government grant, to try to estimate how the people of Gwynedd will be affected by changes in the benefit system and to outline the challenges for the future. The survey predicts that some groups within the community will face a significant challenge to try to meet housing costs and will lead to additional pressure on homelessness services.

#### 6.3.2 Summary of the main research findings

i) **53.3%** of Gwynedd' s benefit applicants will lose out when they transfer from the current benefit arrangements to Universal Credit, which is a higher percentage than other authorities. It was noted that many seasonal workers would be worse off back on benefit at the end of their employment than before they received seasonal work.

ii) **3022** families in Gwynedd will be worse off by a total of £ 5,985,474 per annum when transferred to Universal Credit. (Gwynedd will transfer to Universal Credit in April 2018).

iii) The income of Gwynedd residents will be £11m per annum less as a result of introducing benefit changes, and the amount will increase year by year

iv) **94.5%** of the people of Gwynedd claiming benefit will be worse off. Only 5.45% will remain the same or better off as a result of the changes.

v) As there are fewer job opportunities in Gwynedd there will be restrictions on options to move away from benefit and to permanent work.

vi) **Bedroom Tax** - **1147** people in Gwynedd will be affected by bedroom tax and will lose an average of **£13.51** per week, with 33% of these being families with children. If individuals fail to make up the shortfall they will be putting their tenancies at risk and more likely to request homelessness services

vii) **Local Housing Allowance** - The Local Housing Allowance (LHA) rate (the maximum benefit allowed for rent payments) in some parts of Gwynedd is among the lowest in the UK. If the LHA is frozen at the current level until 2020, which is intended, then the allowance may be insufficient to meet social housing rents

viii) **Rent 'Top up'** - We find that people who rent privately and receive the LHA already have to find a sum of £24.34 above the Housing Allowance rate to meet rent commitments.

ix) **Benefit Cap** – A number of families in Gwynedd are affected by the benefit cap and those families are likely to see their housing Benefit reduced by around £60 per week. The numbers are likely to increase in future. The change affects families with more than 2 children and many families are single parents.

x) **Young People and People under 35 in Social Tenancies**

In future it will be very difficult to find affordable accommodation for individuals under the age of 35. Individuals receive a maximum of £58.11 per week in North Gwynedd and £56 in South Gwynedd which is lower than the average social rent for one bed properties at around £71. This means that housing associations will be reluctant to let a property knowing that the tenancy will not be sustainable. If individuals present as homeless, the burden of finding accommodation will be with the local authority.

6.3.3 The service has seen an increase in the number of people requesting help due to tenancy affordability issues following a change in benefit. The impact of Universal Credit has already been seen for single people who have transferred to this benefit following a new application. More presentations are anticipated next year when universal credit is extended to everyone.

6.3.4 The effect of the benefit cap is also apparent with families with several children. There is one example of a family with four children where the housing benefit element has dropped to £1.48 per week and the rent is £90.52 per week (for a two bedroom property). We have assisted with a claim for Discretionary Housing Payment (DHP) to the Housing Benefit department and the family has been awarded a payment of £ 66.78 a week leaving them with £ 22.26 a week to find towards the rental cost. In October the DHP will reduce to £ 44.52 per week. The existing property is too small for the family and we are trying to search for a larger property but this will mean that the rent is sure to be higher. The family has significant arrears already and is likely to become homeless.

## 7.0 CONCLUSION

7.1 The report notes that the homelessness service faces many challenges through legislative and benefit changes as well as the increased pressure. Also, the potential impact on rent inflation in the Arfon Area as a result of the development of the New Wylfa must be considered. The service already recognizes that demand has increased and the forecast is that it will continue to grow. It is therefore crucial to consider how we will respond to ensure the sustainability of the service and how we manage expenditure in future.