



Item

## **Discharging Homelessness Duties in the Private Rented Sector**

**To:**

Councillor Kevin Price, Executive Councillor for Housing

Housing Scrutiny Committee 19/06/2018

**Report by:**

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**Wards affected:**

All

### **Key Decision**

#### **1. Executive Summary**

- 1.1 In June 2013, in response to the Localism Act 2011, the Community Services Scrutiny Committee approved a policy of discharging the full housing duty to homeless households by way of a private rented sector offer. A further element of that policy was that an offer outside of the city may be considered suitable, subject to certain tests, so long as the accommodation was located within the Cambridge or Huntingdon broad rental market areas (BRMAs).
- 1.2 The Homelessness Reduction Act 2017, which came into effect on 3 April 2018, now places major new duties on authorities to relieve or prevent homelessness. These changes are summarised in Section 3 below and set out in detail in the appendix accompanying this report.
- 1.3 So that the Council can respond appropriately to the opportunities and challenges the new Act introduces, this report seeks Member approval for a more flexible policy when we assist homeless households into the private rented sector. If adopted, the new policy will see us make

greater use of the private rented sector in a wider range of locations. Critically, the application of this greater flexibility will be subject to a general needs assessment informing a strict test of suitability. Under the new Act there is also a right to review at several key stages of a case. These safeguards are summarised in Section 3 below and set out in detail in the appendix accompanying this report.

## 2. Recommendations

The Executive Councillor is recommended to:

- 2.1 Note the contents of the report in relation to the additional demands engendered by the Homelessness Reduction Act 2017.
- 2.2 Adopt the policy on sourcing housing options in the private rented sector and discharging homelessness duties, as set out in Appendix 1 of this report

## 3. Background

- 3.1 The Homelessness Reduction Act 2017, which came into effect on 3 April 2018, is the greatest single change in how authorities are required to deal with homelessness since the broad framework was first set out in 1977.
- 3.2 Key aspects of the new Act are that a homelessness prevention or relief duty is now owed to all applicants threatened with homelessness within 56 days, in contrast to the former 28-day duty. Furthermore, authorities now owe this duty to a far wider range of people than formerly. (A full description of the changes introduced by the Act can be found in Part 1 of Appendix 1).
- 3.3 As the accompanying code of guidance makes clear, the Act requires authorities to take a significantly different approach to statutory homelessness than has been the case hitherto. In a three-stage process, an authority will begin by trying to save the existing home; moving on to assisting households to find a new home should prevention fail (priority need households will be owed an interim duty – temporary accommodation - at the point of homelessness) ; then on to the full homelessness duty for priority need households should relief fail. Under the former legislation only this latter duty existed.
- 3.4 For this authority, much of this is not entirely new in practice: the Council has for some time been taking the approach the Act prescribes, preventing and relieving homelessness for 1240 households in 2017-18, for example. What is new is that prevention and relief are now a part of our *statutory* duty, leading inevitably to a large increase in

households presenting as statutorily homeless. We, therefore, need to reformulate our policy on the use of private rented sector if the application of the new Act is not to produce unwanted outcomes.

- 3.5 Should we remain tied to our current policy, one such unwanted outcome is that in the absence of any corresponding increase in the availability of social housing in the short and middle-terms, we run the risk of having a housing register dominated by homeless applicants. This will lead, in turn, to an increase in the number of households in temporary accommodation, and the pressure will rise still further as a result of the new 56-day duty prevention and relief phases. More people will be in temporary accommodation for longer and costs will increase.
- 3.6 Temporary accommodation is generally an unsatisfactory option for households, especially families, and any rise in its use will be poorly received by government: the new Act requires us to use our 'best endeavors' to house people and to show we are exploring new options and putting these before customers.
- 3.7 For a number of households these options will inevitably be in the private rented sector. However, as Part 3 of Appendix 1 shows, privately-rented accommodation in Cambridge is expensive and likely to be beyond the means of many, if not most, households presenting to the Council for assistance. Accordingly, while it will always remain an objective to help local people to stay in or near to Cambridge city, so long as this is their preference, if we wish to avoid the unwanted effects already referred to we will need to take a more flexible approach to the locations people might consider in order to resolve their homelessness. This mirrors the kind of adjustment to the market which local people have had to make when, for example, looking to buy a home. The code of guidance advises similar realism, saying that "a plan which limited the search for accommodation to a small geographic area where the applicant would like to live would be unlikely to be reasonable if there was little prospect of finding housing there that they could afford".
- 3.8 A further reason for changing our current policy is that it restricts us to considering accommodation within geographical boundaries (Cambridge and Huntingdon BRMAs), some parts of which have transport links to Cambridge that are far less good than equally affordable locations outside these boundaries. The proposed new policy takes a more practical 'travel time' approach, bringing these new

locations into consideration, while placing a limit of 50 miles on the distance from the city locally-connected people may be housed (unless that location is their choice).

3.9 As mentioned, this proposed policy change includes a stringent test of suitability. The factors to be considered are fully set out in Parts 1 and 4 of Appendix 1, but in summary we must consider:

- a) vulnerability, especially with regard to people having a 'protected characteristic' under the Equalities Act 2010, those at risk of hate crime and those at risk of domestic violence;
- b) travelling time - it is proposed that for those with a frequent need to travel to and from the city, a commuting time greater than 60 minutes would not be suitable, and that the cost of transport must be part of any test of affordability;
- c) disruption to household members' employment, caring responsibilities or to the education of children at critical key stages; and
- d) proximity to medical facilities and other essential support.

The test of suitability is further strengthened in that we need to agree a personal housing plan (PHP) with an applicant. The PHP is subject to a right to review. Additionally, for any household falling into a 'priority need' group (i.e. the most vulnerable) any accommodation secured must meet 'enhanced' suitability standards (as if the property was being offered in discharge of the full housing duty).

3.10 The proposed more flexible policy aims to achieve the best possible housing outcome for people, with the maximum of individual choice, in a housing market that constrains options for most people. As a way to give practical and genuine expression to this objective, we have introduced, or are in the process of developing, a number of initiatives to be funded from the new flexible homelessness grant and other sources, as follows:

- a) HB+ which tops up housing benefit for a period of one year (for singles) and two years for families, enabling people to afford better accommodation closer to the city.
- b) Rent deposit and rent in advance loans.
- c) A guarantor scheme for people lacking a conventional work or credit history.

- d) An enhanced homelessness prevention fund to enable people to remain in their existing accommodation.
- e) Removal expenses when people need to relocate.
- f) Grants or soft loans to ease higher travel expenses.

3.8 We will, meanwhile, continue to maximise opportunities for local people to remain housed in the city through arrangements with landlords such as free management of properties, empty homes initiatives and arrangements with registered providers to lease low demand and miscellaneous properties.

## **4. Implications**

### **(a) Financial Implications**

Funding is required for the initiatives set out at 3.7 above. HB+ will be funded through targeted use of discretionary housing benefit payments where possible, and otherwise through the flexible homelessness support grant (FHSG). Rent deposits and loans will continue to be funded by the Ministry of Housing Communities and Local Government homelessness grant. The rent guarantor scheme and other initiatives will be funded through the FHSG. The FHSG award to this authority is as follows:

2017-18: £282,835

2018-19: £320,266

2019-20: £457,336

### **(b) Staffing Implications**

There are no staffing implications arising directly from the proposals set out in this report.

### **(c) Equality and Poverty Implications**

Please see the EqiA attached as Appendix 2

### **(d) Environmental Implications**

Rated +L. All rented properties used by the council to support the schemes detailed in this report will need a valid Energy Performance Certificate (EPC).

### **(e) Procurement Implications**

None

## **(f) Community Safety Implications**

None

## **5. Consultation and communication considerations**

The Council has consulted with external partners via the Homelessness Strategy Implementation Partnership (HSIP) on the policy for sourcing private rented sector options and internally with Revenues and Benefits, the housing strategy manager, Environmental Health and City Homes. HSIP partners involved in the consultation were:

Cyrenians, Jimmy's Cambridge, Cambridgeshire County Council, Wintercomfort, Riverside Care and Support, Citizens Advice Bureau, Change, Grow, Live.

The policy makes provision for individual households to be consulted on offers of accommodation on a case-by-case basis as part of the suitability assessment.

## **6. Background papers**

No background papers

## **7. Appendices**

Appendix 1: "Sourcing accommodation in the private sector for households who are homeless or threatened with homelessness".

Appendix 2: Equalities impact assessment.

## **8. Inspection of papers**

To inspect the background papers or if you have a query on the report please contact David Greening, Head of Housing, tel: 01223 - 457997, email: david.greening@cambridge.gov.uk.