



**Policy and Performance - Regeneration and Environment  
Committee**

**Wednesday, 2 March 2016**

<b>REPORT TITLE:</b>	<b>Homelessness and the impact of welfare benefit reform</b>
<b>REPORT OF:</b>	<b>Ian Platt, Head of Housing</b>

**REPORT SUMMARY**

This report seeks to provide Members with an update on the issue of homelessness in Wirral, and to outline the progress made in terms of its prevention and reduction. The report is also intended to advise members of the consequential impact of welfare reforms on levels of homelessness in the borough.

The issue of homelessness has the potential to affect all Wards within the Borough.

The delivery of an effective homeless response directly contributes to a principal theme of the 'Wirral Council Plan: A 2020 Vision' of protecting the most vulnerable of Wirral's residents. It also assists with the achievement of a number of the pledges set out in the Council's vision, these being:

- *"Good quality housing that meets the needs of residents"*
- *"Children are ready for school"*
- *"Wirral residents live healthier lives"*
- *"Vulnerable children reach their full potential"*
- *"Reduce child and family poverty"*
- *"Zero tolerance to Domestic Violence"*
- *"Community Services are joined-up and accessible"*
- *"People with disabilities live independently"*
- *"Older People Live Well"*
- *"Wirral's neighbourhoods are safe"*

**RECOMMENDATION/S**

That Members note the content of this report.

## **SUPPORTING INFORMATION**

### **1.0 REASON/S FOR RECOMMENDATION/S**

1.1 The content of this report is for noting.

### **2.0 OTHER OPTIONS CONSIDERED**

2.1 No other options were considered.

### **3.0 BACKGROUND INFORMATION**

3.1 Homelessness can have significant negative consequences for the people who experience it. At a personal level, homelessness can have a profound impact on health, education and employment prospects. At a social level, homelessness can impact on social cohesion and economic participation.

3.2 Local Authorities in England have a legal duty to secure accommodation for unintentionally homeless households who fall into a 'priority need' category. This is commonly referred to as the 'main homeless duty'. In addition to the statutory responsibility of the provision of accommodation for eligible applicants, the Housing Act 1996 also places a duty on Councils to provide free advice and assistance to all people experiencing, or threatened with homelessness.

3.3 Homelessness can be defined in a number of different ways. For many it conjures up an image of someone sleeping rough, for others it may mean living in very poor quality accommodation, experiencing domestic abuse or having no security of tenure. Whilst Wirral's 2013-18 homelessness strategy does deal with homelessness in its widest sense, official homelessness statistics concentrate on households who are assessed by a local authority as being statutorily homeless; that is they meet specific criteria set out in legislation.

3.4 In determining a statutorily homeless application, the council must decide whether a person is:

**“Eligible”** – Refers to eligibility for public funds;

**“Homeless”** – That is, they have nowhere that is available and/or reasonable to occupy, anywhere in the world;

**“In priority need”** – This refers to the pre-defined groups of people who are prioritised for assistance under homeless legislation including pregnant women, those with dependent children, care leavers, young people aged 16-17, or where someone in the household is vulnerable, e.g. because of old age, mental or

physical health problems; or by being in prison, care or the armed forces;

**“Unintentionally homeless”** – Those who have not deliberately done, or failed to do, something that caused them to become homeless, such as failing to make rent or mortgage payments when they could have afforded to do so.

- 3.5 In cases where a local authority is satisfied that an applicant is eligible for assistance, is in priority need and has become homeless through no fault of their own, the authority will owe a ‘main homeless duty to that household. Such households are referred to as ‘statutory homeless acceptances’. When a main homeless duty is owed, the authority must ensure that suitable temporary accommodation is available until a settled home becomes available, or the duty ends in some other way.
- 3.6 In cases where a household is homeless, and in priority need, however is considered to have become homeless through their own fault (termed intentionally homeless), a lower level of duty is owed. This duty includes providing a reasonable period of time in temporary accommodation to enable homeless households to secure suitable alternative accommodation, whilst also providing housing advice and assistance.
- 3.7 On average over three thousand people, approach the Council’s Homelessness and Housing Options service each year for help and advice, as they believe they are at risk of homelessness and some will go on to be accepted as statutorily homeless. Where clients are not, or unlikely to be accepted as statutorily homeless, they are provided with advice, advocacy and assistance to resolve the presenting housing problem or helped to find alternative accommodation. In many cases, issues such as rent arrears, offending behaviour, mental health problems or substance misuse will make the task of keeping or finding a new home a more challenging task.
- 3.8 In addition to strengthening the duties owed to individual homeless applicants, the Homelessness Act 2002 also placed a duty on housing authorities to:
- Carry out a review of homelessness in their areas;
  - Formulate and publish a homelessness strategy based on this review
  - Keep the strategy under review; and
  - Consult other local or public authorities, or voluntary organisations before adopting or modifying the strategy.
- 3.9 The Homeless Review was undertaken in 2012 and provided the basis for the Council’s Homeless Strategy 2013-2018 which was approved by Cabinet in July 2013. The strategy acknowledges that homelessness is a complex problem with multiple causes requiring both flexible solutions and the delivery of innovative services in order to reach the increasing number of people affected by the economic climate. The strategy therefore identified four key priorities to respond to these issues:

- **Preventing Homelessness** wherever possible, through early intervention and effective collaborative work.
  - **Strengthening Partnership Working** to ensure that the housing and support needs of those with more complex needs are met.
  - **Evaluating and Re-aligning homelessness and prevention services** to ensure continuing strategic relevance and value-for money within an environment of increasing demand and reducing resources.
  - **Increasing access to the private-rented sector** to ensure the best possible use of the range of housing stock in Wirral.
- 3.10 The strategy is underpinned by a detailed action plan that sets out a number of key actions. The quarterly Homeless Forum, which is facilitated and chaired by the Council, and attended by local agencies that work with homeless people, is responsible for oversight of the strategy and associated action plan.

#### **4.0 CAUSES OF HOMELESSNESS**

- 4.1 Homelessness rarely has a single cause or explanation; it is often seen to be a symptom of wider underlying problems, for example those who suffer from physical or mental ill health, substance misuse or have an offending background. Compared to the general population, those who are homeless experience poorer health outcomes and the consequences of homelessness will often stretch beyond the immediate effect and go on to have a lasting impact on those individuals.
- 4.2 Homelessness is generally a product of:
- Structural factors such as poverty, housing shortages; or
  - Individual factors e.g. vulnerability through ill health, drug use, etc.
- 4.3 Although it would be fair to say that those individuals with no apparent problems are at risk of homelessness if there is a shortage of affordable housing, it is likely that that the vulnerable are at increased risk in circumstances where factors like poverty and culture impact on them at both the structural and individual level.
- 4.4 For many homeless people, or those threatened with homelessness, their situation arises from a combination of both individual and structural factors and, in order to reduce the adverse impact of these factors, the council has sought to commission and coordinate services which address both.
- 4.5 The table below demonstrates the main reason for the loss of settled accommodation, for homeless applicants that were owed the main homeless duty under homeless legislation and for whom homelessness could not be prevented.

Main reason for loss of last settled home - households owed full duty	2013/14	2014/15	Q1-Q3 2015/16
Parents no longer willing or able to accommodate	26	13	4
Other friends/ relatives no longer willing or able to accommodate	23	11	5
Non-violent breakdown of relationship with partner	14	8	7
Violent breakdown of relationship, involving partner	6	11	12
Violent breakdown of relationship involving associated person	2	4	2
Racially motivated violence	0	2	0
Other form of violence	8	6	3
Racially motivated harassment	0	0	0
Other forms of harassment	3	4	1
Mortgage arrears	12	5	3
Rent arrears - social landlord	1	0	0
Rent arrears - private sector dwellings	2	3	2
Termination of assured short hold tenancy	14	17	5
Other reasons for loss or rented or tied accommodation	5	0	0
Required to leave National Asylum Support Service accommodation	0	0	0
Left prison/ remand	6	0	0
Left hospital	2	4	0
Left other institution or local authority care	3	5	0
Left HM Forces	2	0	0
Other reason for loss of settled home	7	5	6

Table 1: Main Reason for loss of last settled home 2013 - 2015/16 Q3

4.6 Worryingly, the numbers of people that became statutory homeless as a consequence of a violent relationship breakdown with their partners has, at the time of writing, doubled when compared with 2013/14 data. Given that there remains one more quarterly report due in this financial year, it is likely that this figure will increase further. To ensure that the housing needs of victims of domestic abuse continue to be met, Wirral has successfully bid for funding from Central Government to enhance supported housing services for women experiencing domestic abuse. This funding will enable the securing of 6-12 units of dispersed, community-based accommodation that can be accessed by women that require a safe haven.

## 5.0 EXTENT OF HOMELESSNESS

### 5.1 STATUTORY HOMELESSNESS

5.1.1 Nationally, it is generally considered that official homeless statistics do not provide a true picture of homelessness in England. The figures exclude people that are homeless but who do not approach a Council for assistance and, critically, do not include data for homeless people that do not meet the statutory criteria for homeless acceptance. This lack of coherent national data on homelessness makes measuring the true scale of homelessness a real challenge.

5.1.2 The most recent official statistics on national levels of statutory homelessness were published in December 2015 and showed that the number of households accepted as homeless and owed the main homelessness duty (i.e. permanent rehousing) was 4% higher compared with the same period (July to September 2014). The number of homeless acceptances was 14,670, representing an increase of 6% on the previous quarter. London boroughs accounted for 32% of all acceptances in England during the 3<sup>rd</sup> quarter of 2015, an increase on the same quarter in 2014.

5.1.3 Locally, the overall number of homeless decisions made in 2014/15 (233) represents a 21% reduction when compared with 2012/13 levels (295). At the time of writing, the number of decisions made during 2015/16 is 138, meaning that the overall number of decisions made by the end of 2015/16 is likely to be lower again.

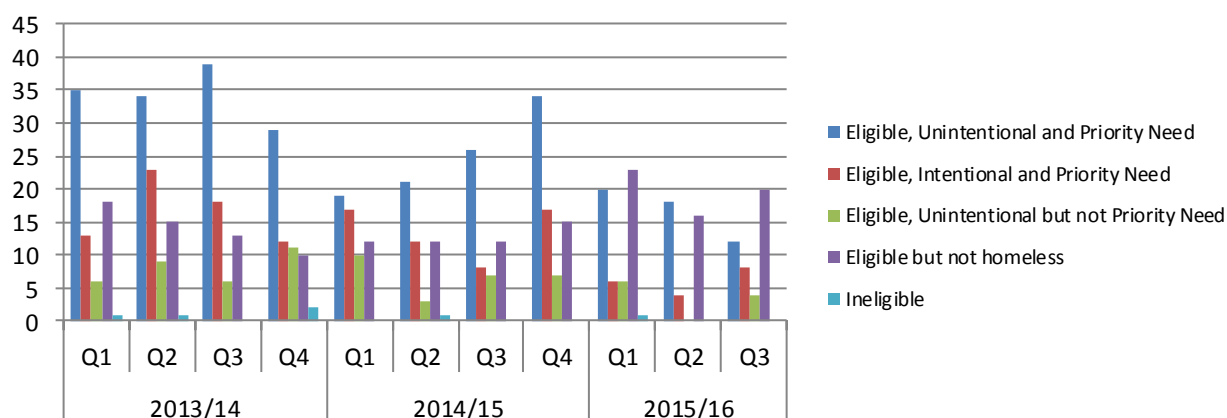


Chart 1: Graph showing statutory homeless decisions 2013-Q3 2015/16

5.1.4 The number of households that made a homeless application, and who were subsequently identified as being owed a full duty, has also decreased. In 2013/14, the number of people that were owed a full duty under homelessness legislation was 137. This figure reduced by 27% in 2014/15 to 100. At the time of writing, of the 138 decisions made during 2015/16 to date, 40 households were determined as being owed a full duty.

5.1.5 Of the homeless decisions made in the past three years, Wirral has seen a rise of 42% in 'intentionally homeless' decisions. A person is considered to be 'intentionally homeless' because of something they deliberately did or failed to do. A large number of 'intentionally homeless' cases are linked to welfare reform and affordability issues reflected in the accrual of rent arrears.

5.1.6 This is not to suggest that the problem of statutory homelessness in Wirral is declining, but rather the reduction is considered to be, in part, as a direct consequence of more effective homeless prevention work. The Homelessness and Housing Options service utilises a prevention 'tool kit', containing over 20 different measures, to assist households threatened with homelessness to remain in their current accommodation, or to assist them into suitable alternative accommodation. Prevention tools include landlord negotiation, court attendance for possession proceedings, securing discretionary housing payments, or providing financial assistance to access the private rented sector. This approach has seen Wirral's homeless

preventions increased by 34% from 391 (2012/13) to 525 preventions in 2014/15.

5.1.7 In terms of the demographic profile of people making homeless applications; in 2014/15, of those homeless applicants who were owed a full duty, over half of applicants (57.57%) were within the 25-44 age group, with just over a quarter (25.75%) being in the 16-24 age group. *(It should be noted that young people aged 16 and 17 years old are classed as 'children' and their housing needs are reviewed in partnership with CYPD)*

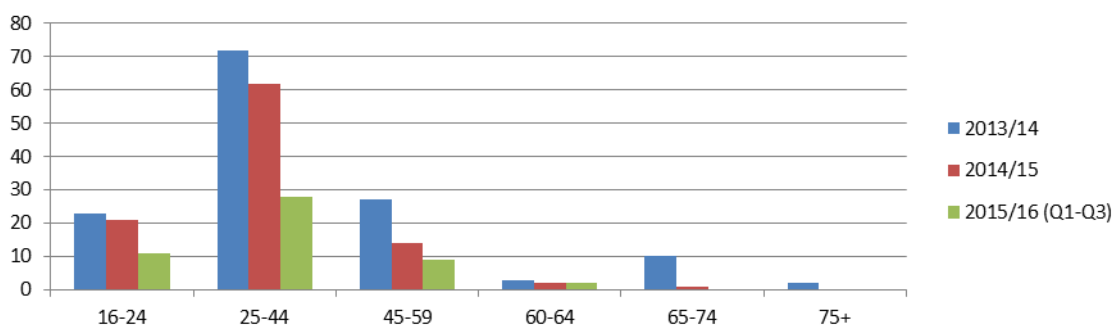


Chart 2: Chart showing ages of Applicants owed a full duty 2013-2015/16 Q3<sup>1</sup>

5.1.8 It demonstrates continuing trends when compared with previous years, with a decrease in the proportion of older people that are owed a full duty under homeless legislation and with the majority of homeless acceptances made in respect of the 25-44 age groups. This is expected given:

- The national economic circumstances, including the high unemployment rates for people leaving school.
- Housing Benefit eligibility restrictions mean that single people under 35 are looking for accommodation in a very restricted private rented market.
- The lack of appropriate accommodation available to younger single people and childless couples
- The impact of welfare reform changes which are largely targeted towards working-age households.

5.1.9 The chart below shows the household composition and gender of homeless applicants that were subsequently owed a full duty by the Council.

	Couple with Dependent Children	Lone Parent Household with dependent children		One Person Household		All other Household groups
		Male Applicant	Female Applicant	Male Applicant	Female Applicant	
<b>2013/14</b>	19	4	52	32	14	16
<b>2014/15</b>	13	3	39	19	18	8
<b>2015/16</b>	7	2	20	7	9	5

Table 2: Gender/Household Composition of Homeless Applicants owed a full duty 2013 - 2015/16 Q3

<sup>1</sup> As previously referenced in 4.8, homeless 16 and 17 year olds are not usually considered through the statutory homeless route, but rather their housing needs are addressed by both the Housing Division and CYPD. The standard central government reporting pro-forma however still references 16 & 17 year olds.

5.1.10 Over the past three years, the significant majority of homeless applications (95%) have been made by people that defined themselves as being 'White'. This is broadly reflective of Wirral's ethnic profile.

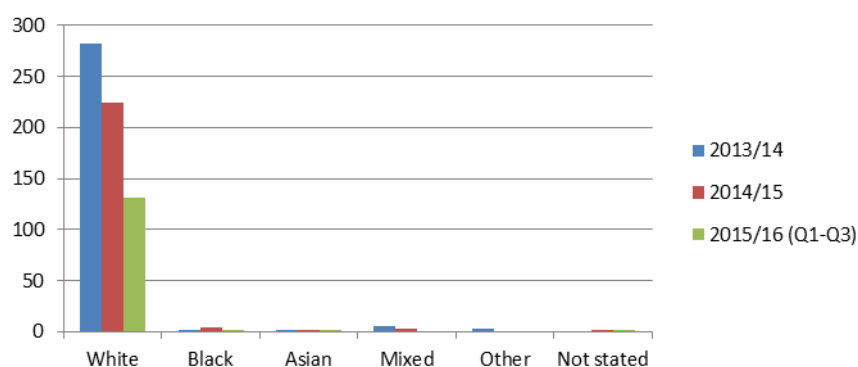


Chart 3: Graph of ethnicity of homeless applicants 2013-2015/16 Q3

## 5.2 SINGLE HOMELESSNESS

5.2.1 Single homelessness - or strictly speaking, the homelessness suffered by single adults or couples without dependent children, although in practice, overwhelmingly the former. The significance of single homelessness is that the majority of these people, are unlikely to have a 'priority need' and as such, would not meet the criteria set in homeless legislation for the 'main homeless duty'. Such households would be provided with housing advice and assistance, in line with the Council's statutory responsibilities, but no temporary accommodation.

5.2.2 Homelessness amongst single people rarely has a single cause or explanation; it is often seen to be a symptom of wider underlying problems, for example those who suffer from physical or mental ill health, substance misuse or have an offending background. The term 'Single Homeless', although used universally, does not necessarily encapsulate the individual situation and therefore it is crucial in any gathering of statistics to recognise that homelessness may be the symptom, and not the cause.

5.2.3 The majority of single homeless people would not be owed a full homelessness duty by the Council, there are, however, a range of supported housing services funded through the Council's Supported Housing Team that will accommodate single homeless people. These services take the form of homeless hostels, schemes for young people, offenders and people with substance misuse problems and a refuge for women fleeing domestic abuse. In some instances, and where appropriate, the Council is also able to temporarily place people within these services while investigating a statutory homeless application.

5.2.4 In Wirral, the funding for housing support is allocated, through a contractual framework, to a range of organisations (voluntary, charitable, private sector, Housing Associations) to provide key front-line services to multiple disadvantaged people.



- 5.2.5 Although provided to different homeless profiles, these services all share the common aim of delivering housing-related support which can be described as a lower level of practical support, not amounting to personal care, which allow vulnerable people to obtain or remain in their own home. Housing related support services offer vulnerable people the opportunity to improve the quality of their lives by providing a stable environment that enables greater independence.
- 5.2.6 Housing-related support is preventative in nature and it exists to help vulnerable people avoid crisis situations or delay/prevent entry into costly institutional services like hospitals or residential/nursing homes, and to live as independently as possible for as long as possible. A report on the cost benefits of housing-related support showed that, on average, for every £1.60 invested in a preventative service, £3.41 is saved through reduced demand on the statutory sector. There is thus a significant social return on investment when prevention and early intervention is funded.
- 5.2.7 In 2012, the Liverpool City Region (LCR) received funding from DCLG to facilitate work across the six LCR Councils to reduce levels of homelessness, and to enable a coordinated response to the issues of homelessness across the local authority areas.
- 5.2.8 To this end, the 6 LCR Councils agreed the need for the development of a single point of access to homeless services for vulnerable people and, as such, commissioned Capita to develop a web-based referral system called 'Mainstay'
- 5.2.9 Mainstay acts as a "virtual" single point of access for those needing floating or accommodation based support services. This means that those who require these services can present to an 'assessment point' at a range of services across the Borough and receive a common assessment and be referred to the most appropriate service(s) which meets their needs at that point. Whilst the system is operated on a Pan-Merseyside basis, it has been tailored to be reflective of the housing need, and service provision within each individual Authority.
- 5.2.10 It was agreed that Wirral would be the last Authority to implement Mainstay and, accordingly, during the latter part of 2014, the Supported Housing Team worked closely with the Mainstay administrators and local providers of homeless services, in order that all relevant agencies were prepared for its roll-out, which took place on the 26th January 2015.
- 5.2.11 From the period 26<sup>th</sup> January 2015 to 31<sup>st</sup> December 2015, Mainstay reported that:
- 851 single homeless people were registered and assessed by Mainstay services for accommodation.
  - 764 homeless people were accommodated in a Mainstay service.
  - 26% of homeless people assessed by Mainstay services had previously been resident in a homeless service.

5.2.12 Mainstay further reports that 75% of all homeless people assessed by Mainstay were male. 42% were aged between 18-25 and 28% were aged 26-40.

### 5.3 ROUGH SLEEPERS

5.3.1 Rough sleepers are defined for the purpose of statistics as “people sleeping, or bedded down, in the open air (such as on the streets, or in doorways, parks or bus shelters); people in buildings or other places not designed for habitation (such as shop loading areas, barns, sheds, car parks, cars, derelict boats and stations) In Wirral, Service Users have reported sleeping in Birkenhead Park, coal-bunkers, sheds they have broken into and tents along the waterfront.

5.3.2 Each year, every Local Authority is required to undertake a ‘Rough Sleeper Count’. The purpose of the count is to get a better understanding of the scale of the issue and whether it's changing over time, so that policies and services can be better planned. The chart below shows the resultant findings since 2011.

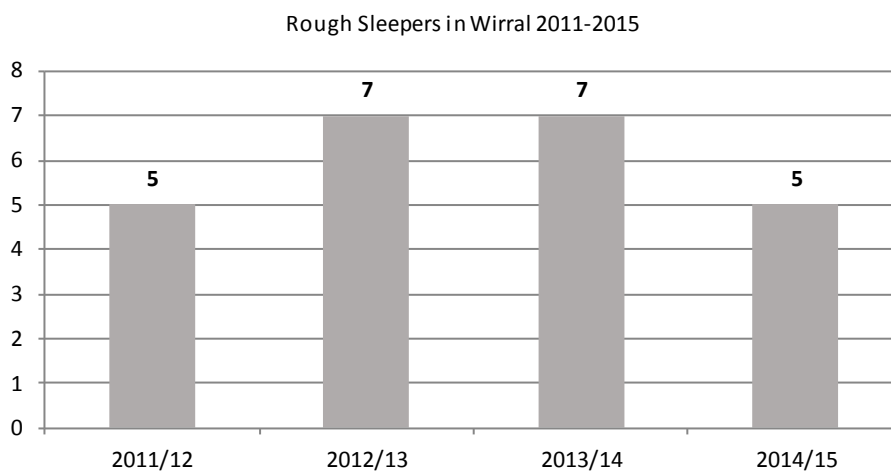


Chart 4: Graph showing findings of Rough Sleeper Count 2011-2015

5.3.3 Whilst providing useful data, it is generally accepted that the methodology (set out by Central Government) used to conduct a Rough Sleeper Count is not sufficiently robust enough to capture the true scale of the problem; a situation that the Government themselves recognises and which is in the process of being re-evaluated.

5.3.4 Other local data and stakeholders suggest that a much greater number of people sleep rough on occasion. It is felt that there are two profiles of individual within the rough sleeper cohort; straightforwardly, those who require accommodation and a degree of support to assist them to maintain this accommodation and a core group of approximately ten individuals with substance misuse issues who appear to be reluctant and/or unwilling to engage with traditional service provision. There is a significant level of alcohol and drug problems amongst rough sleepers and mental health problems are common but less prevalent.

5.3.5 Since 2008 the Wirral YMCA (located on Whetstone Lane) has acted as a hub for rough sleepers, ensuring co-ordinated access into emergency provision (Night Shelter) and accommodation and providing a dedicated worker for them ensuring consistent & comprehensive assessment of need. The chart below shows the number of individual users accessing the provision.

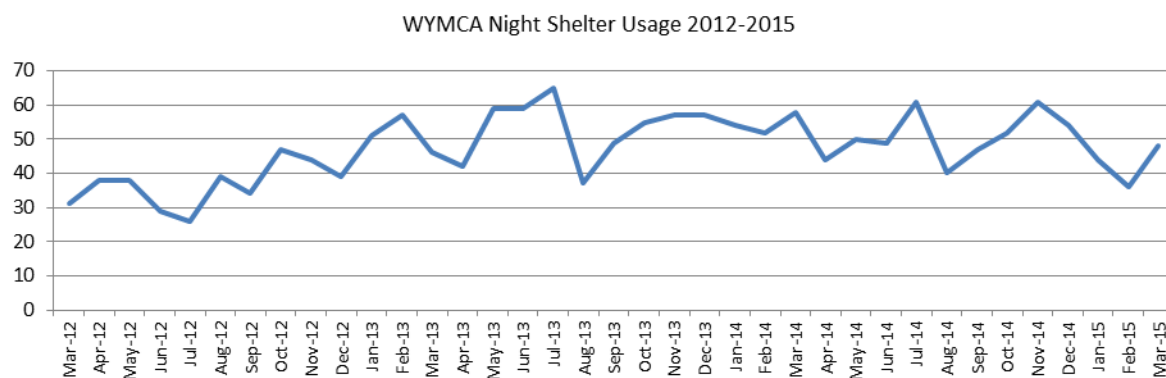


Chart 5: Graph showing Night Shelter Usage 2008-2015

5.3.6 The Night Shelter reports that:

- Most Service Users are Male.
- The main age group of those using the Night Shelter service is 25-34, closely followed by 35-44 and 18-24 year olds.
- There are more young males aged 18-24 within the profile of repeat Service Users

5.3.7 To respond to the issue of rough sleeping, the five Merseyside Councils that comprise the Liverpool City Region (LCR) submitted a successful partnership bid to Central Government to enable the development of the LCR Intensive Support Service (LCRISS), a 2 year project for people with multiple and complex needs. This service, which went operational in December 2015, is delivered by The Whitechapel Centre and will aim to ensure that rough sleepers with multiple and complex needs have their needs met in a holistic and person-centred way.

## 6.0 WELFARE REFORMS AND THEIR IMPACT ON HOMELESSNESS

6.1 It is recognised that the full impact of the welfare reform agenda is yet to be felt by Wirral households. The full transition of all eligible working age households to benefits such as Universal Credit has not yet occurred, and the further reductions proposed for 2016-18 are yet to be implemented. These include:

### 6.2 Freezing of Local Housing Allowance

6.2.1 Local Housing Allowance (LHA) is claimed by private renters who are eligible for assistance with meeting their rental payments. The system has been in

place since 2008 and differs from housing benefit paid to tenants in the social rented sector, and private renters on regulated (pre-1988) tenancies, in that a set amount is paid, according to household make-up and area, regardless of the actual rent. Nationally, close to half of LHA claimants (48%) were required to pay a shortfall to meet their rental payments, even prior to the LHA changes.

6.2.2 There are currently just over a million and a quarter LHA claimants in Great Britain, and this now constitutes the vast majority (83%) of Housing Benefit claims in the private rented sector. Separate rates are set for each property size and claimants are allocated to a LHA rate based on their household size, at a maximum of four (previously five) bedrooms. It is both an in-work and out-of work, means tested benefit, which means many workers on low incomes (31% of current claimants) rely on it to stay in their homes. The benefit is claimed by a household, rather than by each individual, so a family or couple receiving LHA counts as one claim in Government statistics

6.2.3 LHA uses a nationally set system for setting the maximum eligible rent on which benefit awards are calculated. Prior to the reforms, rates were based on the 50<sup>th</sup> percentile of advertised rents in the Broad Rental Market Area that a claimant lives in. Subsequent to the reforms, LHA rates are now based on the 30<sup>th</sup> percentile of advertised rents, rather than the market median. Essentially, this means that, for the majority of LHA claimants, the LHA paid will be insufficient to cover their rental payments.

6.2.4 However, Government has advised that Local Housing Allowance (LHA) rates are to be frozen for 4 years from 2016 with some provision for rents in the most expensive areas. This means that claimants' LHA entitlement is less likely to cover the full contractual rent due as real rents increase over time.

6.2.5 In the North-West, changes to LHA rates have resulted in an average loss of £7 per week to households. In Wirral, the LHA rate for a three-bedroomed house was reduced from £595 to £549.99 per month.

6.2.6 This reform has particular significance in the context of national homelessness policies, which are placing more emphasis on households securing accommodation in the private-rented sector.

### 6.3 **The Benefit Cap**

6.3.1 The overall cap on welfare benefits was implemented in 4 local authorities in April 2013 and was subsequently rolled out on a staggered basis to the rest of the country. Since September 2013, it has been operated across the whole of the country.

6.3.2 The cap is set at £350 per week for single people, and £500 for all other households and applies to all out-of-work households below pensionable age, with a number of exemptions for households with disabilities

6.3.3 From April 2016, the Benefit Cap will be further reduced from £26,000pa to £23,000 in London and £20,000 elsewhere. It is anticipated that families with

three or more children will see a significant change in their household income, and this may lead to wider affordability issues and resulting homelessness.

#### **6.4 Universal Credit**

6.4.1 Universal Credit is administered by the Department of Work and Pensions and replaces a range of existing benefits, including Job Seekers Allowance (income based), Income Support, Housing Benefit, Child Tax Credit, Working Tax Credit, income related Employment and Support Allowance, with a single monthly payment.

6.4.2 In line with Government policy there will be a continued transition of all working age claimants, including families, to Universal Credit over the coming years. This will represent a significant change for claimants who will now receive all of their benefit entitlement in a single monthly payment and will be required to manage their money effectively to ensure key payments, such as rent, are paid.

#### **6.5 Spare Room Subsidy**

6.5.1 The Spare Room Subsidy, introduced in April 2013, refers to the limits placed on eligible rents for households living in social housing, based on the number of bedrooms a household is deemed to require. The determination of how many bedrooms a household required is assessed using data taken from the social survey 'bedroom standard' measure established in the 1960's.

6.5.2 In context, 73% of all households in Britain occupy housing with more bedrooms than specified by the bedroom standard. Within this, a far higher proportion of home owners occupy dwellings above the bedroom standard, than people living in the social sector.

6.5.3 Locally, the Housing Benefit Team undertook an analysis of people living in social housing in May 2015 and identified that 3188 tenants were affected by the Spare Room Subsidy with 2557 under-occupying by one bedroom and 631 by two or more bedrooms. A key homeless prevention measure for under-occupying households has been to secure short term payments of Discretionary Housing Benefit for eligible households, whilst assisting them into more suitable accommodation. It is currently unclear if affected tenants, still under-occupying, will secure further discretionary housing payment awards in the future.

#### **6.6 Withdrawal of Housing Benefit for young people aged 18-21**

6.6.1 The Government intends to withdraw Housing Benefit entitlement from some 18-21 year olds from April 2017.

6.6.2 Currently, young people are already entitled to less generous allowances from the Housing Benefit system. Single people under 35 years without dependent children in the private rented sector are only entitled to rent allowance for a room in shared accommodation, such as a bedsit or room in a house or hostel. This is known as the Shared Accommodation Rate (SAR).

6.6.3 Certain categories of young people will be exempt from this removal of Housing Benefit, including vulnerable young people; those who may not be able to return home to live with their parents; parents; and those who have been in work for 6 months prior to making a claim. At this point there is no additional information on how vulnerability will be defined.

## **6.7 Housing Benefit Cap for Social Housing Tenants**

6.7.1 The Autumn Budget announcement advised of a further key change in the social housing sector with Government proposals to cap Housing Benefit payments to the relevant Local Housing Allowance rate. This will include the Shared Accommodation Rate for single claimants under 35 years who do not have dependent children. This will apply to tenancies signed after 1 April 2016, with Housing Benefit entitlement changing from 1 April 2018 onwards. These changes may effectively reduce access to affordable housing for those aged less than 35 years and affect larger families in social housing.

## **6.8 Support for Mortgage Interest**

6.8.1 Claimants of the DWPs 'Support for Mortgage Interest' (SMI) payment are homeowners who are struggling to meet the cost of their mortgage. Generally the benefit supports low income households, older people, unemployed, or sick or disabled. To be eligible to claim SMI you must be in receipt of qualifying benefits, such as income support. Under the welfare reform agenda, new applicants will have an extended waiting time of 39 weeks to receive financial assistance when in crisis. The Council of Mortgage Lenders has described the changes as 'most significant changes for mortgage in the budget' and it may see an increase in repossession action. Furthermore this benefit will change to become a loan in 2018 that homeowners are required to repay. These changes represent a further reduction in assistance to homeowners threatened with homelessness, following the previous withdrawal of the Government's mortgage rescue scheme.

## **7.0 Conclusion**

7.1 People are now facing real difficulties in managing their income and housing as a result of the downturn in the economy and its impact on the housing market, as well as the changes taking place around the future of social housing and changes to welfare benefits. Homelessness is increasing across the country, and there are fears it will continue to increase.

7.2 Locally, we have seen a 25% increase (between 417 cases in 2013/14 and 525 cases in 2014/15) in homelessness prevention activity. This includes both assisting residents to remain in their own homes or where appropriate assisting them to access alternative accommodation.

7.3 This increase in homeless prevention activity is reflected in the reduced number (22% decrease between 2012/13 and 2014/15) of statutory homeless applications taken by Wirral Council during the same period. Of the homeless applications taken in the past three years, Wirral Council has seen a rise of

42% in 'intentionally homeless' decisions, a significant proportion of which were linked to the accrual of rent arrears. Affordability issues, due to changes in benefit entitlement and the processes by which benefits are claimed are prevalent in the rent arrear cases seen by the Housing Options Team.

7.4 The numbers of single homeless people that have accessed Supported Housing-funded local homeless services in the first three quarters of 2015/16 have significantly increased when compared with statistics from the same period in previous financial years. These homeless services are reporting notable increases in the complexity of presenting needs amongst homeless people, with unresolved mental health issues and substance misuse prevalent amongst this profile.

7.5 To ensure that the Council remains responsive to the issue of homelessness:

- The Homelessness and Housing Options Team will continue to review existing service delivery and homeless prevention tools to meet the changing needs of Wirral residents in housing need, in line with Wirral's Homeless Strategy.
- The Supported Housing and Homelessness Division will undertake a strategic review of all supported accommodation services for people experiencing social exclusion, such as homeless people and women fleeing domestic abuse, to determine whether there are any gaps in provision and whether the current configuration of supported housing services is meeting the diverse needs of homeless people. The findings of this analysis will provide the evidence base for commissioning activity over the next five years and will inform the development of the Council's Homelessness Review and Strategy, due for publication in 2018.
- The Supported Housing and Homelessness Division will continue to monitor the impacts of welfare reform on vulnerable households and will explore the potential for developing an 'early warning system' for identifying residents that are at risk of homelessness as a result of changes to the welfare system. In particular, we will examine the consequences of the Government's plan to remove eligibility to Housing Benefit for 18-21 year olds on Wirral's young person's population and identify measures that could mitigate its impact.

## **8.0 FINANCIAL IMPLICATIONS**

8.1 There are no direct financial implications to this report, although there is evidence that by not investing in preventative homeless measures there is a greater cost to the borough in the long-term through failure to meet targets and a potential for an increase in levels of homelessness. There is heightened concern over the impact of welfare benefit reforms and on the effect of 'bedroom tax' on existing tenants.

## **9.0 LEGAL IMPLICATIONS**

9.1 The provision of a homeless service is a statutory requirement under the Housing Act 1996 and the Homelessness Act 2002.

## **10.0 RESOURCE IMPLICATIONS: ICT, STAFFING AND ASSETS**

10.1 There are no resource implications associated with this report.

## **11.0 RELEVANT RISKS**

11.1 There is a continued risk that due to current economic climate and national agenda that incidences of homelessness will increase significantly. There will need to be continued investment in related services and continued co-operation with relevant agencies to address this.

## **12.0 ENGAGEMENT/CONSULTATION**

12.1 The Wirral Homeless Forum, which is facilitated and chaired by the Council, is intended to provide quarterly partnership focussed events that allow all homeless stakeholders from public, private and voluntary sectors to meet and discuss relevant issues in the borough. Members of the Forum work in partnership to respond to emerging policy, including consultation exercises, and funding opportunities; and, to work jointly to continually improve the homelessness response across all sectors in Wirral.

## **13.0 EQUALITY IMPLICATIONS**

13.1 This report is for information only, as such there are no equality implications associated with this report.

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## **APPENDICES**

None.

## **REFERENCE MATERIAL**

The Housing Act (1996)

Homelessness Act (2002)

Homelessness Code of Guidance for Local Authorities (2006)

Wirral Council Homeless Review 2012

Wirral Council Homeless Strategy 2013-2018

Parliamentary Briefing note – WWW.PARLIAMENT.UK



MainStay Data

National P1E reports – WWW.GOV.UK

**SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
<b>Cabinet - Policy on Discharge of Statutory Homelessness duty into the Private Rented Sector</b>	<b>13<sup>th</sup> June 2013</b>
<b>Cabinet – Wirral Homelessness Strategy 2013-2018</b>	<b>11<sup>th</sup> July 2013</b>