

# **PREVENTING HOMELESSNESS IN BROMSGROVE TASK GROUP**

## **FINAL REPORT**



**September 2016**



**Bromsgrove**  
District Council  
[www.bromsgrove.gov.uk](http://www.bromsgrove.gov.uk)

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## **MEMBERSHIP OF THE TASK GROUP**



**Councillor Chris Bloore (Chairman)**



Councillor Sue Baxter



Councillor Sean Shannon



Councillor Roger Smith

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## **Foreword from the Chairman**

The initial inspiration for this review came from concerns raised by my colleague Cllr Sean Shannon in respect of the future of Burcot Lodge Hostel. Whilst the Overview and Scrutiny Board decided not to undertake a specific review of Burcot Lodge, Members were significantly concerned about homelessness in the District and this review was established to investigate the extent to which this was a problem and what could be done to alleviate this.

In recent years, the cost of housing, both in terms of home ownership and renting have increased significantly all over the country. At the same time a number of welfare changes have been introduced, which have impacted on those on low incomes in particular. Local authorities, including Bromsgrove District Council, have been working hard to address these problems in order to support residents as best they can. Officers should be commended for their hard work in tackling this problem. However, we cannot be complacent and need to be forward thinking and proactive in how we address these problems.

The recommendations detailed in this report are designed to support existing good practice locally as well as to address gaps which we have identified. We feel that if these recommendations are adopted they will help the Council to plan for the future. Thereby minimising the risks of homelessness and reducing the cost to the authority in the long term. I particularly want to highlight the value of Recommendation; Private sector rental accommodation is an increasingly significant source of housing for residents and this proposal for a local authority lettings agency has the potential to ensure we make the best use of this sector.

During our investigations we have consulted with a wide range of expert witnesses so that our findings could be informed by best practice. I would like to thank those representatives of the CAB, Fry Housing Trust, Basement Project and St Basils in particular for taking the time to meet with the group and provide invaluable information.

I would like to thank the other Members of the task group (councillors Baxter, Smith and Shannon) for their hard work and support during the course of this review. I would also like to thank those Members of the Cabinet who supported us and/or provided evidence. In particular, Cllr Kit Taylor who was kind enough to set aside £15,000 for the Group to use as appropriate. I hope Cabinet will feel that our proposals make best use of this funding and will help to address risks of homelessness now and in the future.

**Councillor Chris Bloore**  
**Chairman of the Preventing Homelessness in Bromsgrove**  
**Task Group**

## Summary of Recommendations

After consideration of the evidence available and interviewing witnesses the Task Group have proposed the following recommendations, supporting evidence can be found under the relevant chapters within the main body of this report.

### Chapter 1: Housing

| <b>Recommendation 1</b>  |
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| <p>We recommend that officers should investigate the introduction of a local authority lettings scheme that would help customers to access private rented accommodation. This investigation should take into account working in partnership with Redditch Borough Council. The outcomes of this investigation should be reported for the consideration of the Overview and Scrutiny Board and Cabinet.</p> |
| <p><b>Financial Implications for recommendations:</b><br/>There are no direct financial implications to the investigation except for the costs of officer time. Members of the group would expect officers to outline the financial implications of introducing a lettings agency within the review.</p>   |
| <p><b>Legal Implications for recommendations:</b><br/>There are no direct legal implications. Members of the group would expect officers to outline the legal implications of introducing a lettings agency within the review.</p>   |
| <p><b>Resource Implications:</b><br/>Officer time.</p>   |

## **Chapter 2: Voluntary Sector**

### **Recommendation 2**

The Council should commit to use all of the Homeless Grant for the purposes of priority homelessness support.

#### **Financial Implications:**

The Council receives the Homeless Grant from Central Government on an annual basis, though it is not ring fenced by the Department for Communities and Local Government. There is no guarantee that this grant will be allocated to the Council in any given year.

#### **Legal Implications:**

There are no direct legal implications.

#### **Resource Implications:**

There are no direct resource implications

### **Recommendation 3**

Subject to the Council continuing to receive the Homeless Grant, it should continue to prioritise funding in respect of offender rehabilitation and emergency accommodation for young people, in order for services to remain sustainable within the district.

#### **Financial Implications:**

In the last two years the Council has provided £25,000 and then £20,000 to Fry Housing Trust. The group is proposing that a similar amount should be allocated to Fry Housing Trust on an annual basis in future years.

The Council's contribution to St Basils' Crash Pad in 2016/17 was £7,800. The Council recovers some of these costs through housing benefit whenever it is occupied. The group is suggesting that a similar amount should continue to be allocated to the crash pad per annum in future years.

#### **Legal Implications:**

There are no direct legal implications.

#### **Resource Implications:**

There are no direct resource implications

### **Chapter 3: The Impact of Legislative and Benefit Changes**

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|--|
| <b>Recommendation 4</b>  |
| The £15,000 of funding allocated by the Portfolio Holder, which has been reserved for use at the discretion of the Group, be allocated to the Essential Living Fund (ELF) and any surplus be ring fenced for use in the next financial year. |
| <b>Financial Implications:</b><br>The £15,000 has already been set aside for allocation by the group. This would help to offset the loss of funding for the ELF from Worcestershire County Council which ended in March 2016.                |
| <b>Legal Implications:</b><br>There are no direct legal implications.  |
| <b>Resource Implications:</b><br>There are no direct resource implications   |



## Background Information

The subject of homelessness was first raised following the submission of a topic proposal from Councillor Sean Shannon in respect of the potential closure of the Burcot Lodge Homeless Hostel, which was considered at the Overview and Scrutiny Board meeting held on 24th August 2015. Whilst the Board were interested in the issues raised within the topic proposal it was not felt that, at that stage, it warranted a more detailed investigation. The Board therefore requested an update from the relevant officers at the next available meeting. The Strategic Housing Manager duly attended the meeting held on 26th October and provided a verbal update on the position in respect of Burcot Lodge.

A written report was considered at the November meeting of the Board and a further report, which included the potential financial implications and options available to the Council, was discussed at the January 2016 meeting of the Board. The Board recommended to Cabinet that Option 1 to replace Burcot Lodge, as detailed within the Cabinet report, be approved, though it was suggested that the Council should remain open to reconsidering Proposal 2 at a later date if demand for temporary accommodation from residents at risk of homelessness increased. At its meeting on 3rd February 2016 Cabinet endorsed the Board's proposals and agreed that the Head of Community Services, in consultation with the Portfolio for Housing, be granted delegated authority to organise the replacement of the Hostel with alternative temporary accommodation to be provided by Bromsgrove District Housing Trust (BDHT). Cabinet also agreed, as proposed by the Board, to remain open to re-considering proposal 2 at a later date should demand for temporary accommodation from residents at risk of homelessness be increased. For clarity the full details of those proposals are detailed in the table below.

| Proposal 1  | Proposal 2  |
|---|---|
| <p>2 x 1 bed = £45k conversion cost plus rent cost while conversion takes place average 2 bed cost (average 2 bed £86.95 per week). We would require rent to be guaranteed through rent loss and void loss.</p> <p>1 x 2 bed = No conversion cost but would require rent to be guaranteed through rent loss and void loss.</p> <p>1 x 3 bed = No conversion cost but would require rent to be guaranteed through rent loss and void loss.</p> | <p>4x1 bed = £90k conversion cost plus rent cost while conversion takes place average 2 bed cost (average 2 bed £86.95) We would require rent to be guaranteed through rent loss and void loss.</p> <p>1 x 2 bed = No conversion cost but would require rent to be guaranteed through rent and void loss.</p> <p>1 x 3 bed = No conversion cost but would require rent to be guaranteed through rent and void loss.</p> |

Also, during the January 2016 meeting concerns were raised not only in respect of the closure of Burcot Lodge but also about recent and forthcoming changes in legislation which could impact on homeless people within the

district. Following discussion it was agreed that a Short Sharp Review should be carried out to address this with Councillor Chris Bloore appointed as Chairman, together with Councillors Baxter, Cooper, Shannon and Smith as Members who had shown a keen interest in the topic.

The Task Group held its first meeting on 25th February 2016 when Members discussed their terms of reference (attached at Appendix 1) and how best to carry out their investigations. A number of key witnesses were also identified together with data which was requested from the appropriate sources. A deadline to complete the review within three months had also been set; with a view to bringing a report back to the Board at its June meeting. The Board considered a report outlining these areas at its meeting on 29th February 2016 and agreed the proposals.

It soon became apparent to Members that, if they were to do the topic justice, it would take significantly longer than first anticipated. The Chairman therefore reported back to the Board in March requesting that the Short Sharp Review be made into a full Task Group which would bring forward its recommendations and findings to the September meeting. The Chairman also reported that due to other commitments Councillor Cooper had withdrawn from the group and had been replaced by Councillor Helen Jones.

Full details of the programme of meetings held by the Task Group can be found at Appendix 3. It should also be noted that Councillor Jones withdraw from the group following her appointment as Chairman of the Council at the Annual Council meeting held in May 2016.

The Group investigated homelessness in detail and gathered evidence from a variety of sources. Based on this evidence the Group are proposing 4 recommendations which are all designed to contribute to the Council's strategic purposes, in particular Help me to Live my life independently and Help me to find somewhere to live in my locality.

# **Chapter 1**

## **The Housing Sector (including background information)**

In Bromsgrove District the Council ceased to manage its housing stock directly in 2004. Social housing remains available for residents in the District and is accessible through a number of social housing providers. Predominantly social housing is provided by BDHT, though there are other providers.

Despite this, the Council retains certain responsibilities in respect of housing. The Housing (Homeless Persons) Act 1977 placed a duty on local housing authorities to secure permanent accommodation for unintentionally homeless people in priority need. Since then there have been some legislative changes and now local authorities' duties towards homeless people are contained in Part 7 of the Housing Act 1996 (as amended). Authorities do not have a duty to secure accommodation for all homeless people, only those who are unintentionally homeless and in priority need.

The legal definition of homelessness in the Housing Act 1996 is that a person is homeless if they have no accommodation available to them in the UK or anywhere which would be reasonable for them to continue to occupy. They would also be homeless if they have accommodation but are not able to gain access to it or if it is a moveable structure but they have nowhere to place it. A person is threatened with homelessness if they are likely to become homeless within the next 28 days.

There are various categories of priority need for rehousing. These categories are set out in Section 189 of the Housing Act 1996 and the Homelessness (Priority Need for Accommodation) (England) Order 2002. They include the following:

- A pregnant woman or a person who resides with a pregnant woman or might reasonably be expected to reside with a pregnant woman.
- A person with whom dependent children reside or might reasonably be expected to reside.
- A person aged 16 or 17 who is not a relevant child for the purposes of Section 23 (a) of the Children Act 1979.
- A person, other than a relevant student, who is aged under 21 but over 16 and whilst still under 18 was, but is no longer, looked after, accommodated or fostered.
- A person who is vulnerable as a result of old age, mental illness, physical disability or other special reason.
- A person who has reached the age of 21 who is vulnerable as a result of being looked after, accommodated or fostered. (Not including a relevant student.)
- A person who is vulnerable as a result of having been a member of Her Majesty's regular naval or military air forces.

- A person who is vulnerable as a result of serving a custodial sentence, having being convicted for contempt of court or having been remanded in custody.
- A person who is homeless or threatened with homelessness as a result of an emergency such as a flood or a fire.
- A person who is vulnerable for any other special reason or anyone who lives with them.

Members note that in Bromsgrove District the local authority's duties in respect of homelessness are currently carried out by BDHT under a contract arrangement.

The Council has an Allocations Scheme for use of Home Choice Plus, which is delivered and administered on behalf of the local authority, by BDHT. Home Choice Plus helps to allocate social housing, low cost homes and privately rented properties. The Council is part of a Home Choice Plus Partnership with other local authorities including, Malvern Hills District Council, Stratford-On-Avon District Council, Worcester City Council, Wychavon District Council and Wyre Forest District Council. The allocations scheme outlines how the partnership will prioritise households on the register for accommodation. The Councils involved in this partnership work with local housing associations to allocate social housing to eligible residents. It should be noted that many social housing associations have their own allocations schemes and these also need to be taken into account when a customer is seeking accommodation.

Home Choice Plus uses a banding system to help determine who should be prioritised for housing. This banding system stretches from "gold plus", considered the highest priority for housing, to "bronze", which are households who do not meet any reasonable preference criteria, have no local connections and may have low housing need.

There are therefore various residents at risk of becoming homeless for whom accommodation in the social housing sector is not always an option. For people in this situation housing is often only available in the private rented sector as many can struggle to afford to become home owners. Difficulties accessing affordable accommodation, both in terms of home ownership and in the rental market, have recently been raised by the Local Government Association (LGA). The LGA reported in July 2016 that based on their research they were anticipating that four million people of working age would be in need of affordable housing by 2024. The number of people in need of affordable housing nationally is likely to be higher, at 5.4 million people of working age, according to the LGA, if qualification levels do not increase amongst the working population. (The LGA defines affordable housing as someone who spends up to 30 per cent of their household income on their housing costs). The LGA is therefore calling on the Government to take urgent action now in order to help tackle this situation.

At a local level the costs of accommodation in Bromsgrove have been highlighted by a number of witnesses as a concern. Members have been

informed that the lowest price to purchase a property starts at approximately £130k, though the average price of a property in the district is £225K. The group was advised that this was not comparable with the average salary of a person employed to work in the District and is more expensive than in some parts of the region. The group has also been informed that the cheapest rental properties available in Bromsgrove start at approximately £500 per calendar month. (To see how rental prices compare to other parts of the county please refer to Appendix 5). In addition Members have been informed that there are significant on costs associated with leasing a property in the private rental sector, including paying an estate agency's fees, deposits and in some cases guarantor fees. The Group consulted with the Citizens Advice Bureau (CAB) about these fees and were advised that charges for reference checks made by letting agencies varied significantly from £6 to £300 nationally whilst locally the variance between the least and most expensive fees is from just under £200 to £560 for a single tenant and from £235 to £660 for a couple. Guarantor fees range from £25 to £120.

The Bromsgrove and Redditch branch of the CAB commented on this situation in its letting agents' survey for the period September to December 2015. This stated that *"what's surprising is that fees vary so wildly and inexplicably at a fundamental level it is debateable how much any of these charges should be levied upon tenants. Essentially agents are providing a service to landlords in finding, referencing and managing tenants for their properties. With the possible exception of credit referencing, it would seem only fair that the burden of this should largely fall on the landlord."*

In addition to this during the course of the review a number of witnesses raised concerns with the Group about the willingness of landlords in the private sector to accept tenants in receipt of housing benefits. The introduction of Universal Credit led to changes to the way in which housing benefit payments were paid to recipients. Whereas in the past housing benefit was paid directly to the landlord, this is now to be paid to the recipient unless they can demonstrate that they are vulnerable in some way. There is a risk that in some cases the rent will not reach the landlord if it is used by the tenant to cover other expenses, particularly if the resident experiences difficulties with personal budgeting. In this context the Basement Project advised the Group that they had recently carried out a search on a property location website and had found that 90% of landlords would not permit tenants to lease their properties if they were in receipt of housing benefits.

The Council has previously recognised the importance of the private rented sector as a source of housing. With this in mind Council representatives meet regularly with representatives of the private rental sector. As part of this process private sector Landlord Forums are held in order to maintain a constructive working relationship to the benefit of all concerned. The local authority has also previously established the Step Up Private Tenancy Scheme to support people seeking to lease a property in the private rented sector. This scheme helps families to start renting privately by working with landlords to find suitable properties and by helping the tenant with the upfront

costs of renting. The scheme provides an extensive support for landlords covering the following areas:

- Sourcing a suitable tenant for a property.
- Providing free inspections and surveys of properties.
- Funding streams for any works required on the property.
- Payment of rent in advance.
- Deposit Guarantee Bond in cases of damage or rent arrears (to the value of one month's rent not subject to deposit protection legislation).
- Support to deal with housing benefits applications.
- Tenancy agreement forms.
- Free inventory service with digital pictures as back up.
- Settling in support to set up service accounts and budgets.
- Ongoing support for landlords and tenants to help sustain the tenancy.

To date this scheme has been relatively effective; there were 60 private rented properties participating in the scheme as of July 2016. On average tenants remain in their properties as arranged through this scheme for two to three years. However, Members had some concerns that this scheme did not go far enough in helping everybody seeking a property in the private rented sector to secure accommodation. Their fears were confirmed in the CAB's letting agents' survey which has stated that "*whilst Bromsgrove Council tries to assist some tenants through the Step Up Scheme none of these fees (as referred to above) are covered which disproportionately affects the most vulnerable.*" The Group has also been advised that after home ownership, the private rented sector is now the main source of accommodation for people in the country. It is therefore important to ensure that it is as accessible as possible for residents in Bromsgrove.

With this in mind the Group have explored ways in which the Council and partners could support people more effectively when accessing private rented accommodation. They were interested to learn that in some parts of the country local authorities have introduced their own form of letting agency. For example Ashford Borough Council operates the ABC Letting Scheme. In some respects this is similar to the Step Up Scheme in that it supports tenants and landlords but it goes beyond this to guarantee that rent will be paid on a monthly basis for the duration of the tenancy and provides reassurance that the tenancy will be fully managed for a competitive fee by the Council. The Group has learned that there are similar schemes locally such as Worcester City Council's City Life Lettings and Birmingham City Council's Let to Birmingham scheme.

The Group has discussed this with officers from the Council's private sector housing team and have been informed that it would be feasible to introduce a similar scheme in Bromsgrove. However, Members recognise that in order to manage any risks associated with such a scheme and to ensure that the model of service delivery meets the needs of local residents further investigation needs to be undertaken by relevant officers.

There are a number of options available for a local authority lettings agency including the following:

- A new lettings agency established and managed directly by Bromsgrove District Council.
- Working in partnership with an established letting agent already operating in Bromsgrove district. This could take advantage of their existing expertise.
- Working in partnership with Redditch Borough Council on a joint lettings agency initiative across the two districts. The benefits of this could be sharing overheads and the fact that many landlords may have properties in both districts and could therefore be more inclined to work with the Councils on this scheme.
- Working with an existing local authority's lettings agency. Members are aware of Ashford Borough Council's ABC Lettings, Worcester City Council's City Life Lettings and Birmingham City Council's Let to Birmingham scheme though there are other local authority letting schemes which may be more suitable for Bromsgrove. This could take advantage of their existing expertise.

The group believe that in respect of the Council the most appropriate and cost effective option would be to consider working with a neighbouring authority (or authorities). In Bromsgrove established shared working arrangements are already in place, including the Private Sector Housing team, mainly with Redditch Borough Council. There may also be opportunities to work with Wyre Forest District Council to potentially form a North Worcestershire lettings agency.

Officers in the Private Sector Housing Team have advised the group that there is the capacity to investigate this matter. The Group is suggesting that at the end of this process officers should report back to the Overview and Scrutiny Board and the Cabinet on its findings and bring forward any recommendations at this stage as to whether to introduce a lettings agency scheme in the district.

The Task Group therefore recommends the following:

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|---|
| <b>Recommendation 1</b>   |
| We recommend that officers should investigate the introduction of a local authority lettings scheme that would help customers to access private rented accommodation. This investigation should take into account working in partnership with Redditch Borough Council. The outcomes of this investigation should be reported for the consideration of the Overview and Scrutiny Board and Cabinet. |

## **Chapter 2**

### **The Voluntary Sector**

The Group recognised that voluntary and community sector groups provide many essential services to support people at risk of becoming homeless. With this in mind the Group arranged to visit a number of organisations to find out more about the services they delivered. Details of the Group's findings are set out below. It should be noted that they also interviewed representatives of the Bromsgrove and Redditch branch of the CAB and the information they provided is detailed in Chapters 1 and 3 of this report. The Group was very impressed by the work of the CAB and hope the Council will continue to support their work.

In recent years the Council has provided funding to a number of voluntary sector groups from its Homelessness Grant, which is received from central Government. This Grant has been allocated to the Council on an annual basis for a number of years, although there is no guarantee that the Council will continue to receive this Grant in future years. The distribution of this Grant in Bromsgrove has tended to be for use to address homelessness, though the budget is not ring fenced by the Department for Communities and Local Government. Allocation of these funds to the voluntary sector is managed through a bidding process. The bids panel is currently managed by officers under delegated powers, although it was noted that the final decision was made by Cabinet and Council.

### **Basement Project**

The Basement Project is a drop in centre, based in Bromsgrove town centre which provides floating support for 16-25 year olds in and around Worcestershire who are homeless or are facing homelessness. This is a well-established, registered charity which is staffed by both paid employees and volunteers. Experienced staff at the project help young people to explore their accommodation options, complete forms such as benefit applications and deliver a number of useful workshop activities, for example healthy eating and cookery workshops. Young people can access washing facilities as well as a washing machine and in cases where no accommodation could be provided, particularly for high risk individuals, the Basement Project has distributed tents and sleeping bags. Members were also interested to learn that there is a food bank at the Basement Project.

Floating support officers employed by the project can also meet with and support young people who have just started out in their tenancies. This can be especially helpful for young people who do not necessarily have the life skills needed to live independent lives. For example they provide guidance on budgeting and cleaning. The Group was very impressed by the Basement Project, particularly as this organisation provided rare support services to some of the most high risk individuals.



## Fry Housing Trust

At the start of the review the Group issued a press release inviting the public to comment on their experiences of homelessness. Whilst there were limited responses from the public, the Group was pleased to receive a very detailed and informative letter from the Chief Executive of Fry Housing Trust. This outlined their concerns about homelessness, the work of the trust to address this and uncertainty with regards to forthcoming welfare changes. The letter was so informative that the Group felt it appropriate to interview representatives of the Trust.

Fry Housing Trust is a charitable housing association which provides supported accommodation to offenders and those at risk of offending aged 18 and over. The Trust was established in 1959 and has been operating in Bromsgrove district for approximately 25 years. In Bromsgrove there are 18 bed spaces available predominantly in shared housing. Service users stay in accommodation with the trust usually for up to 12 months. Many clients are referred on to social housing at the end of their tenancies. In 2015/16 the Trust received 100 referrals for the Bromsgrove district and housed 25 of those, so it is clearly in demand as a local service. Members have been advised that 75% of clients complete their tenancy with the Trust and only a tiny minority go on to re-offend which compares favourably with the national average.

The Group was advised that previously Fry Housing Trust was in receipt of Supporting People Funding from Worcestershire County Council (WCC). This had helped to support both the Bromsgrove branch of the Trust's supported accommodation and floating support workers. However, WCC ceased to provide Supporting People Funding in 2014/15 and this impacted on funding for organisations like Fry Housing Trust. In the first year after the withdrawal of this funding Bromsgrove District Council provided £25k to Fry Housing, which enabled the organisation to continue to provide supported housing in the district, though it has had to cease providing its floating support service. In 2016/17 the Council provided £20k with the remaining £5k obtained by the trust from the charitable sector. Members have been advised that this funding has been essential to keeping services in Bromsgrove sustainable. If this funding was to be removed the service would no longer be able to cover its costs in the district. Members agree that given the valuable nature of the work undertaken by Fry Housing, particularly in view of the positive community safety outcomes from the work of the Trust, it is important to ensure that the organisation's services remain sustainable locally.

## St Basils

St Basils is a charitable organisation that offers a range of services to young people in need of accommodation. They work with young people aged 16 to 25 years, who are homeless or at risk of homelessness across Birmingham, Sandwell, Solihull, Worcestershire, Coventry and surrounding areas. There is a branch of St Basils providing accommodation in Bromsgrove district which offers housing for 15 young people. St Basils specialises in supporting young

people who are considered to be low risk and they can be referred to St Basils by a variety of agencies. From the information provided to the Group Members understand that the majority of referrals come from BDHT though other agencies also refer to St Basils such as the Basement Project.

The Group was advised that on average a young person will stay at St Basils in Bromsgrove for 14 months. During this time young people are provided with support in order to develop the life skills that are needed to manage and maintain their own tenancies. Training is provided in respect of completing job applications, CV writing and other practical skills. Many will also be placed in a position where they can continue with or apply for education and employment opportunities. Members were advised that in 98% of cases the young people who stayed at St Basils went on to live productive lives.

In recent years the Council provided funding to the Bromsgrove branch of St Basils to install a “crash pad” at the site. This crash pad is primarily used by the most vulnerable young people, usually aged under 18, who are at risk of becoming homeless. It was introduced because there were concerns that it was not appropriate to house younger adolescents in temporary bed and breakfast or hostel accommodation alongside mature adults. Typically young people stay in the crash pad for up to six weeks and may then either become long term residents of St Basils or secure appropriate accommodation elsewhere. The Council has continued to provide funding to help support the crash pad and in 2016/17 this amounted to £7,800. The Council recovers some of these costs through housing benefit payments whenever it is occupied. As this crash pad serves some of the most vulnerable people at risk of homelessness the Group feel that it is a valuable asset to the district and therefore the Council should continue to provide funding to ensure it remains available.

The Task Group therefore recommends the following:

| <b>Recommendation 2</b>   |
|---|
| The Council should commit to use all of the Homeless Grant for the purposes of priority homelessness support. |

| <b>Recommendation 3</b>  |
|--|
| Subject to the Council continuing to receive the Homeless Grant, it should continue to prioritise funding in respect of offender rehabilitation and emergency accommodation for young people, in order for services to remain sustainable within the district. |

## Chapter 3

### **Impact of Legislative and Benefit Changes**

As part of its investigations Members were keen to explore the impact of welfare changes, both current and future, on the risks that residents in Bromsgrove might become homeless. As part of the review therefore the Group received an overview of the impact of changes to welfare support from officers.

The table below details some of the welfare changes that have occurred in the last three years or are due to take place in the near future. The information provided, particularly the figures quoted in the table, was presented for the Group's consideration in March 2016. As such some of the figures may now have changed.

| <b>Type of Change</b>  | <b>Implementation Stage</b>  | <b>Impact Locally</b>  |
|--|--|--|
| <p><b>Benefit Cap</b> – the cap applies to the total amount that people in a household can receive from a number of benefits combined. The level of the cap is:<br/>           £500 per week for couples with or without children.<br/>           £500 per week for single parents who have children living with them.<br/>           £350 per week for single adults who do not have children living with them.</p>   | <p>Already implemented. The cap reduced from £26,000 to £20,000 per annum outside London as of April 2016.</p> | <p>37 households by March 2016. Members were advised that the impact was relatively low and most residents were able to stay in their homes and found ways of meeting the financial gap.</p> |
| <p><b>Spare Room Subsidy</b> –this is the calculation of housing benefit payments based on the number of people in the household and the size of the accommodation. The spare room subsidy applies to all working age tenants renting from a local authority, housing association or other registered social landlord. It brings housing benefits payable to tenants of social housing in line with private tenants. (Those with one spare bedroom lose 14% of their eligible rent and those with two or more spare bedrooms lose 25% of their eligible rent.)</p> | <p>Implemented from April 2013.</p>  | <p>As of March 2016 there were 199 cases in Bromsgrove where the spare room subsidy was applied at 14% and 36 cases where it was applied at 25%.</p>   |

|  |  |   |
|--|--|---|
| <p><b>Introduction of Local Council Tax Support Scheme</b> – Council Tax benefits ended in March 2013 and local authorities were required to introduce a Council Tax Support Scheme. Under this scheme all working age claimants pay a minimum of 20% towards their Council Tax liability. Up to 80% Support is available under the scheme. (Pensioners have been protected.)</p>                    | <p>A Default Scheme was introduced in 2013/14 and 2014/15 and 80% support was introduced in April 2015.</p>  | <p>As of February 2016 2,895 households with working age tenants were impacted by these changes. This compares to 2,890 in April 2015. In terms of Council Tax collection rates in 2013/14 98.29% was collected. In 2014/15 98.5% was collected. As of February 2016 96.92% had been collected. (It should be noted that these figures were obtained before the end of the financial year).</p> |
| <p><b>Universal Credit</b> – this currently applies to single job seekers with no child dependents making a new claim in Bromsgrove.</p>   | <p>This was introduced in Bromsgrove in October 2015. Further roll out to other groups of claimants is due to take place although dates remained to be confirmed at the time of writing.</p> | <p>As of February 2016 27 claims had been made for Universal Credit, with 7 claims remaining live on the system.</p>  |
| <p><b>Temporary absences from Great Britain Rules for Housing Benefits</b> – Residents who spend four or more weeks out of the country are unable to claim housing benefits.</p>   | <p>This requirement was implemented in July 2016.</p>  | <p>It was too soon to assess any impact at the time of writing.</p>   |
| <p><b>Removing entitlement for Housing Benefit payments to Young People aged 18-21</b> - Certain categories of young people will be exempt, including vulnerable young people, those who cannot return home to live with their parents, young people who are parents who have children who live with them and young people who have been in work for six months or more prior to making a claim.</p> | <p>The entitlement to the housing benefit element of Universal Credit is due to be withdrawn for this age group with effect from 2017.</p>   | <p>This remained to be confirmed at the time of writing.</p>  |
| <p><b>Reduction in social rents</b> – under the welfare reform and work bill 2015, all social rents were due to reduce by 1% for the 4 financial years in the period 2016/17 to 2019/20.</p>   | <p>This was due to be implemented from April 2016 onwards.</p>   | <p>Significant reduction in social housing rental income was anticipated to have knock on effects on business plans and finances for social housing providers in the district.</p>  |

|   |   |   |
|---|---|---|
| <p><b>Restrictions on housing benefits for the under 35s</b> – Housing benefit claimants aged under 35 with no dependents living in the private rented sector are only eligible to claim housing benefits that cover the costs of a room in shared accommodation.</p> | <p>This rule has already been introduced for claimants in private rented accommodation. The restrictions have not yet come into force in respect of social housing tenants, though local housing associations are planning for this change.</p> | <p>Whilst no figures have been provided for the number of people affected by this rule Members have been advised that there are limited number of houses in multiple occupation (HMOs) in the private rental sector in Bromsgrove district.</p> |
| <p><b>Cap of Housing Benefit in the social rented sector</b> - new tenancies arranged as of 1st April 2016 will only receive rent capped at the Local Housing Allowance (LHA) rate.</p>   | <p>This is due to take effect from 2018 but will apply to those whose tenancies took effect from April 2016 (or from 1st April 2017 if they are in supported housing).</p>  | <p>This remained to be confirmed at the time of writing.</p>  |

The Council has recognised that many of these changes may have an impact either now or in the future on Bromsgrove residents. In order to support customers the Council currently provides additional support to those affected and Officers try to assess the needs of the customer from a holistic perspective. In recent months the Financial Inclusion Team (FIT) has been providing specialist support to help assess customers' specific needs and to provide advice. The Benefits and Customer Service teams also provide useful support.

The support available from the Council to residents includes Discretionary Housing Payments (DHPs), which were introduced in July 2001 to provide financial assistance to claimants in receipt of housing benefit where it is considered that additional help with housing costs is required. The Council generally defines housing costs as –

- Rental liability
- Rent deposits
- Rent in advance and
- Other lump sum costs, such as removal.

DHPs may be awarded as one off payments or periodically to cover an appropriate period of time. Officers work with the applicant to identify whether they need any additional support. DHP awards are not conditional and decisions are based on a fair assessment of need. When considering

whether to award a DHP officers take into account what the award will achieve, the consequences of not making the award and whether any alternative support can be provided. In 2015/16 the DHP fund amounted to £57,774. The average award for each customer during that year was £275.61 with just over 13% of applicants making repeat requests during the year.

The Council has also operated a Hardship Fund in recent years comprising £25,000 per annum. This provides transitional relief to those facing hardship as a result of changes to Council Tax Support. As of March 2016 345 customers had made contact with the Council about financial difficulties that might be eligible for hardship fund assistance, including 215 direct applications. By 31st January 2016 £12,141 of this scheme had been used to support those customers.

Residents can also apply for support through the Essential Living Fund (ELF). This was previously operated by the Department for Work and Pensions (DWP) as crisis support, but responsibility subsequently passed to Worcestershire County Council (WCC). Bromsgrove District Council lobbied for local delegation to ensure that the scheme best met local needs. The ELF has operated since as a flexible discretionary scheme. Need is assessed on a face to face basis and support is provided in a variety of ways, though not it should be noted, in the form of cash payments. Between April 2013 and March 2016 1,527 awards were made through ELF to Bromsgrove residents; of these 215 awards were to help people move house or to help those at risk of homelessness.

In April 2016 WCC removed their funding for ELF. This will lead to a reduction in the funding available to vulnerable residents through the ELF scheme. Members feel that this is such an important fund that it needs to continue in the short term until the review as detailed in recommendation 1 has been undertaken and a decision taken as to the introduction of a local authority letting agency in Bromsgrove District.

The Task Group therefore recommends the following

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|--|
| <b>Recommendation 4</b>  |
| The £15,000 of funding allocated by the Portfolio Holder, which has been reserved for use at the discretion of the Group, be allocated to the Essential Living Fund (ELF) and any surplus be ring fenced for use in the next financial year. |

## **Areas to Note**

At the start of the review a press release was issued which encouraged local residents to submit their views about homelessness. Unfortunately there was a limited response to this publicity, although the group were grateful for those that took the time to comment. This limited number of responses means that it is difficult to reach any conclusions based on the evidence submitted.

From the group's discussions with Voluntary Sector organisations it became apparent that many of the clients they come into contact with have increasingly complex needs. The group was advised that many people at risk of homelessness seeking support had mental health problems and / or learning disabilities which made them very vulnerable and complicated their situation. This resulted in the staff at these organisations needing specific training to help their customers in this situation which required extra resources and were time consuming. This may be an area suitable for further investigation by scrutiny Members in the future.

During the group's visits to St Basils and the Basement project both organisations raised concerns about the need for more information to be provided to children and young people at school about the risks of homelessness. In both cases approaches had been made to a number of local schools with limited results. This is something which ward Councillors may wish to address with schools within their wards and they may wish to make contact with St Basils and the Basement Project to find out how they can assist further.

Another area covered by Members during the investigation was the number of affordable houses being built in the district. According to the Council's Allocations Policy affordable housing is defined as "...housing let at a social or affordable rent or a low cost home ownership property let to a specified eligible household whose needs are not met in the market also known as social housing." Members were concerned that an apparently low number of affordable houses were being built as part of new housing developments. However, when the group consulted with the Council's Strategic Planning Manager Members were pleased to hear that the majority of larger housing developments met the Council's aim of 40 per cent affordable housing.

Finally a particular area of concern identified during the review was the availability of houses of multiple occupancy (HMOs) in the district. This is an area that the group believes will become an increasing area of importance once benefit changes are implemented which will effect single people under the age of 35 as their benefits will only cover a single room in a shared household. Members were advised that there are currently very few HMOs, both within the existing social housing stock and in the private rented sector in Bromsgrove district. Members have been advised that BDHT are working to address this and they would urge Officers to remain vigilant in monitoring progress with this.



**OVERVIEW AND SCRUTINY TOPIC PROPOSAL**

This form can be used for either a Task Group or a Short Sharp Review topic proposal.

Completed forms should be returned to [scrutiny@bromsgrove.gov.uk](mailto:scrutiny@bromsgrove.gov.uk) – Democratic Services, Bromsgrove District Council.

|  |                                   |
|--|-----------------------------------|
| <b>Name of Proposer: Councillor Chris Bloore</b> |                                   |
| Tel No: 07905612710                              | Email: c.bloore@bromsgrove.gov.uk |
| Date: 19/01/16                                   |                                   |

|  |   |
|--|---|
| <b>Title of Proposed Topic</b><br><br>(including specific subject areas to be investigate)   | Homelessness in Bromsgrove - the impact of legislative changes on this and action the Council will take to address any problems which may arise.  |
| <b>Background to the Proposal</b><br><br>(Including reasons why this topic should be investigated and evidence to support the need for the investigation.) | Following the submission of a topic proposal from Cllr Sean Shannon in respect of the potential closure of the Burcot Lodge Homeless Hostel the Board received a number of reports/briefing papers in respect of action the Council would take to address the loss of this building, this has led to a number of other questions being raised at the Board's meeting on 18/01/16 including the changing housing policy of Central Government and changes to housing benefits. |
| <b>Links to national, regional and local priorities</b><br><br>(including the Council's strategic purposes)  | <ul style="list-style-type: none"> <li>• Help me to live my life independently</li> <li>• Help me find somewhere to live in my locality</li> <li>• Help me to be financially independent</li> </ul>   |



|  |  |           |                            |                   |
|--|--|-----------|----------------------------|-------------------|
| <p><b>Possible Key Objectives</b></p> <p>(these should be SMART – specific, measurable, achievable, relevant and timely)</p> | <p>The data shows the Council has to make more and more interventions to prevent homelessness.</p> <p>In light of the need to replace the Burcot Lodge Homeless Hostel, we need to ensure that as a Council we are best placed to meet the needs of residents, particularly due to the significant forthcoming changes to the benefit system.</p> <ul style="list-style-type: none"> <li>• Clarify what the legislative changes will entail;</li> <li>• Clarify the impact of all of these changes on the Council’s services and customers; and</li> <li>• ensure that appropriate steps are in place to minimise the impact and support our customers.</li> </ul> |           |                            |                   |
| <p>Anticipated Timescale for completion of the work.</p>   | <p>8 to 10 weeks<br/>(It is anticipated that the review will hold its first meeting w/c 22/02/16.)</p>   |           |                            |                   |
| <p>Would it be appropriate to hold a Short Sharp Inquiry or a Task Group? (please tick relevant box)</p>                     | <p>Task Group</p>  | <p>No</p> | <p>Short Sharp Inquiry</p> | <p><b>Yes</b></p> |

**Declarations of Interest**

At the initial meeting of the Group Councillor Shannon confirmed that whilst he had in the past been a member of the board of Bromsgrove District Housing Trust (BDHT), he no longer had an interest.

There were no declarations of interest made at any other meetings.

### Appendix 3

#### WORK PROGRAMME

| <b>Date of Meeting</b> | <b>Subject</b>   |
|------------------------|--|
| 25/02/16               | Discussion of the terms of reference and agreeing future meeting dates and expert witnesses.   |
| 03/03/16               | CANCELLED  |
| 10/03/16               | Interview:<br>Derek Allen – Housing Strategy Manager<br>Matthew Bough – Housing Strategy and Enabling Team Leader  |
| 17/03/16               | Interview:<br>Mike Brown BDHT<br>John Whitwam BDHT   |
| 23/03/16               | Interview:<br>Lynn Jones – Customer Service Manager<br>Shona Knight – Assistant Financial Support Services Manager   |
| 20/04/16               | Review of investigation findings to date   |
| 12/05/16               | Visit to St Basil's  |
| 16/05/16               | Visit to the Basement Project  |
| 08/06/16               | Interview:<br>Councillor Kit Taylor in his capacity as Portfolio Holder for Planning Services and Housing.<br>Mike Dunphy – Strategic Planning Manager<br>Derek Allen – Housing Strategy Manager   |
| 16/06/16               | Interviews:<br>1. Judy Sharpe and Lilian Miller (Bromsgrove and Redditch Branch of the CAB)<br>2. Paul Wright – Chief Executive of Fry Housing Trust<br>Martin Wright – Lead Officer for Bromsgrove branch of Fry Housing Trust.   |
| 29/06/16               | Review of investigation findings to date and planning final steps.   |
| 11/07/16               | Interviews:<br>1. Councillor Geoff Denaro in his capacity as Portfolio Holder for Finance, ICT, HR and Enabling Services together with Amanda Singleton, Head of Customer Access and Financial Support, and David Riley, Revenue Services Manager.<br>2. Derek Allen, Strategic Housing Manager, to discuss Ashford Borough Council's ABC Lettings scheme. |
| 18/07/16               | Finalising the group's recommendations.  |

## **ACKNOWLEDGEMENTS**

The Task Group wishes to thank the Democratic Services Officers, Jess Bayley and Amanda Scarce, for their support throughout the Group's investigations.

The Task Group would also like to thank those residents who took the time to respond to the Group's press release.

## **WITNESSES**

The Task Group considered evidence from the following sources before making its recommendations:

### **Internal Witnesses:**

Derek Allen – Strategic Housing Manager  
Matthew Bough – Housing Strategy & Enabling Team Leader  
Mike Dunphy – Strategic Planning Manager  
Sue Hanley – Deputy Chief Executive  
Lynn Jones – Customer Support Manager  
Shona Knight – Assistant Financial Support Services Manager  
David Riley – Revenue Services Manager  
Amanda Singleton – Head of Customer Access and Financial Support

### **Councillors:**

Councillor Kit Taylor – Portfolio Holder for Planning Services and Housing  
Councillor Geoff Denaro – Portfolio Holder for Finance, ICT, HR and Enabling Services

### **External Witnesses:**

Mike Brown – BDHT  
John Whitwam – BDHT  
Leigh Hesketh, Support Manager – St Basil's  
Jackie Hooper - Basement Project  
Judy Sharpe and Lilian Miller – Bromsgrove and Redditch CAB  
Paul Wright and Martin Wright – Fry Housing Trust

## **BACKGROUND PAPERS**

Bromsgrove Allocations Policy 2015  
Banding System for the Home Choice Plus Service  
Letting Agents' Survey September – December 2015 (Bromsgrove and Redditch CAB)  
Financial Affordability Update April 2015, (draft amendment 2016 by the CAB), Bromsgrove and Redditch CAB.  
A Better Choice Lettings and Property Management (ABC Lettings) Landlord Pack, Ashford Borough Council.

## Appendix 5

### Rent and Housing Costs

Research was undertaken on 28th July 2016 to assess the costs of renting and purchasing properties in Bromsgrove. Equivalent costs for other parts of the county were also investigated for comparative purposes. Findings from this research, which was completed online using a property search engine, are detailed in the table below.

| Location      | Cheapest property to rent   | Cheapest property for sale  |
|---------------|---|---|
| Bromsgrove    | 1 bedroom flat £475pcm  | 2 bedroom apartment for sale under a 50% shared ownership deal £59,950.<br><br>£79,950 for a one bedroom maisonette (cheapest property not subject to shared ownership or sold as a retirement property). |
| Droitwich     | 1 bedroom flat £495pcm  | 2 bedroom apartment for sale under a 50% shared ownership deal £75,000.<br><br>£85,000 for a one bedroom apartment (cheapest property not subject to shared ownership or sold as a retirement property).  |
| Kidderminster | Studio apartment £300pcm  | 1 bedroom apartment for £35,000 (cash purchase only).   |
| Malvern       | 1 bedroom flat £350pcm  | 1 bedroom apartment for sale under a 50% shared ownership deal £60,000.<br><br>£73,500 for a one bedroom apartment (cheapest property not subject to shared ownership or sold as a retirement property).  |
| Redditch      | A bedroom in a shared house £350pcm or £450pcm for a 1 bedroom apartment. | £47,500 for a studio apartment.   |
| Worcester     | £285pcm for a room in a shared house or £350pcm for a studio apartment.   | 1 bedroom apartment for sale under a 50% shared ownership deal £39,950.<br><br>£70,000 for a one bedroom apartment (cheapest property not subject to shared ownership or sold as a retirement property).  |

**Legal, Equalities and Democratic Services**  
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