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## Briefing Paper

### Homelessness in Oldham

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#### **1.0 Background**

- 1.1 There has continued to be an increase in the number of households approaching Oldham Housing and Advice Services (OHAS).
- 1.2 There has been a bigger increase in the number of households who are being interviewed as threatened with homelessness, accepted as being homeless and being owed a statutory duty. These figures have doubled each year since 2015/16. (2015/16 128 decisions - 47 Full Duty, 2016/17 245 decisions – 86 Full Duty, 2017/18 (end Q2) 254 decisions – 68 Full Duty)
- 1.3 There are a number of reasons for this increase. These include
  - Nationally there are increasing numbers of households approaching services and being accepted as homeless.
  - Change in case law which has resulted in a 'lowering' of thresholds, in respect of single applicants.
  - Increased length of time households are in temporary accommodation.
- 1.4 The reasons given for loss of last settled home include:
  - Loss of lodgings from parents or other relatives or friends
  - Loss of private rented accommodation
  - Required to leave accommodation provided by Home Office as asylum support
  - Relationship breakdown
  - Domestic violence
- 1.5 There has been a resultant significant increase in the number of households placed in temporary accommodation under homelessness duties, including Bed and Breakfast accommodation.

	Q4 2015/16	Q1 2016/17	Q2 2016/17	Q3 2016/17	Q4 2016/17	Q1 2017/18	Q2 2017/18
<b>Number of households in Temporary Accommodation at quarter end</b>	19	21	28	29	66	45	56

- 1.6 The reasons for this include: Increased numbers of households approaching services/Blocking of current temporary accommodation due to:
- Reduced void turnover in social housing means that there are less properties coming available for people to move on to
  - High demand and limited supply of accommodation with one bedroom
  - Barriers to move on due to historic tenancy issues e.g. rent arrears, ASB
  - Reduction in numbers of units of supported accommodation for people to move on to.
  - Increasing households with complex and multiple needs
  - 'Affordability' criteria operated by landlords
  - Lack of access to the private rented sector

- 1.7 Furthermore, it is anticipated that the number of households presenting to council and requiring statutory support will continue to increase going forward.

## 2.0 National Policy Changes

- 2.1 There are a number of policy changes which are in place or being considered which will impact on this further including:

### 2.2 Homelessness Reduction Act

- 2.21 The act is seeking to amend Part 7 of the Housing Act 1996. There are 13 clauses that amend many of the existing duties and bring in a substantial number of new duties:
- It introduces requirements for local authorities to carry out homelessness prevention work with all those who are eligible for help and threatened with homelessness.
  - It increases the time at which a person is classed as being threatened with homelessness from 28 days before a person is likely to be homeless, to 56 days.
  - It requires local authorities to carry out an assessment of the applicant's needs, and that the steps agreed between the local authority and the applicant are set out in writing, and a personal housing action plan developed and agreed.
  - A new duty is placed on local authorities to take steps for 56 days to relieve homelessness by helping any eligible homeless applicant to secure accommodation.
  - There are certain requirements that the authority will have to follow in respect of applicants who 'deliberately and unreasonably' refuse to co-operate.
  - A new duty is placed on 'public authorities' to refer those who are either homeless or at risk of being homeless to homelessness and housing advice services.

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- Provision is also made for certain care leavers, to make it easier for them to show they have a local connection with both the area of the local authority responsible for them and the area in which they lived while in care if that was different.
- 2.22 It is anticipated that homelessness applications are likely to increase by 60% as a result of the legislation (not taking into account all the other factors which are likely to lead to an increase in homelessness in Oldham) and that each of these will require significantly more proactive case work than is currently required. There is a requirement to complete a personal housing action plan for all applicants, which, it is anticipated, will take approximately 2 hours per household. A new duty is placed on all local authorities to help any eligible homeless applicant to secure accommodation. This is not the case under current legislation. There are a significant number of households with barriers to accessing accommodation due to significant rent arrears, anti-social behaviour or other tenancy issues and this will be a major challenge.
- 2.3 **Universal Credit Full Digital Service** - Oldham Job Centre moved to Universal Credit Full Digital Service (UCFS) from April 2017. Claimants are now required to make a claim, check details of payments, notify changes of circumstance and search for a job through a single account, making digital the primary channel for most working-age people to interact with the Department for Work and Pensions (DWP). This will not just apply to new claims and changes of circumstances but all current claims are required to move to the new service from April 2017. It is anticipated that all existing UC claims from an Oldham post code will have moved to Full Digital Service within a 6 month period.
- 2.31 UC brings together a range of working-age benefits into a single streamlined payment, including housing costs, formerly paid direct to landlords through housing benefit. As households move on to UC there is concern that more households will fail to make payments for housing costs, fall in to arrears and become at risk of homelessness. The increase in rent arrears across UC areas has been widely publicised within the national press. Registered providers in Oldham have confirmed this, in particular FCHO who have the highest number of social rented properties within the borough. FCHO arrears for UC tenants compared to all other payment types are higher per head. The percentage of customers who are in arrears for self-payers and HB recipients currently stands at 18% whereby for UC customers this is 68%.
- 2.32 There is also a concern that landlords, particularly in the private rented sector, will cease to let properties to households in receipt of UC which will restrict housing options for these people and significantly limit move-on options for households in temporary and supported accommodation. This supports the need for the council to increase resources to this area.
- 2.4 **Restrictions on payments for housing costs for 18-21 year olds** - In March 2017 the government published new rules confirming that some 18-21 year olds who claim UC in UCFS areas will no longer get payments towards their housing costs. This means that Oldham is one of the first areas undertaking this change. There are currently 801 single people aged 18-21 years on the housing register, of which 145 are in high or medium housing need. There are also 19 single people aged 18-21 years in supported accommodation and 21 single people waiting for this accommodation. The council will need to identify options for these.
- 2.5 **Introduction of the Local Housing Allowance cap for social housing (Restrictions on payments for housing costs for under 35 year olds)** - From 1 April 2019, the way Housing Benefit (HB) or the housing element of UC for social housing tenancies is calculated is changing. The amount of benefit will be restricted to the Local Housing

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Allowance (LHA) level for the size of the household. Currently under HB the award is made based on the rent charged. For single people on benefits, aged under the age of 35 years, payments will be made according to the 'shared room rate'. This is lower rate than the 'one bedroom rate' and will potentially leave a gap of approximately £20 per week in the rent charged. The council is unable to discharge its homelessness duties where accommodation is 'unaffordable'. In October 2017 there were 2119 applicants on the housing register who were single and under 35 and therefore affected by the LHA shared accommodation rate. Of these 374 applicants were assessed as in 'emergency' or 'high' band and 637 in 'medium'. There is therefore a need to increase the availability of shared accommodation within the borough and some of this needs to come from the private rented sector.

### **3.0 Rent and mortgage arrears**

Colleagues from the Oldham Citizens Advice Bureau (CAB) have advised that the number of households seeking support at the Oldham Court Desk in respect of rent arrears has significantly increased. This includes a 50% increase in the number of households in social housing attending court at risk of eviction and 100% increase in the number of households in private rented accommodation based on information provided for 2015/16 and 2016/17. They have also reported that there is an increase in social landlords seeking to evict using Ground 8 of the Housing Act 1988 (as amended by the Housing Act 1996). This is a mandatory ground and is generally seen as an easier route for obtaining possession. The law states that if a tenant is more than eight weeks or two months behind with their rent when the Notice is issued to them and also at the subsequent possession hearing the Judge has no discretion and is required to grant a Possession Order. This obviously has significant implications when considering that UC housing payments in Oldham are currently taking up to 8+ weeks to be paid. Croydon Council report that in UCFS it is taking on average 10 weeks for cases to be assessed and payments made.

### **4.0 Council Motion**

4.1 The following motion was agreed at Council on 13<sup>th</sup> September 2017.

This Council resolves to:

1. Work with partners in Oldham to implement the new Housing Reduction duties as effectively as possible
2. Continue to do all it can to mitigate the impact of government policy e.g. by supporting Oldham Nightstop and Oldham Reconnect to help young people
3. Investigate ways of increasing housing supply e.g. by improving access to private sector tenancies
4. Campaign for: changes to Universal Credit to get payments started as soon as a successful claim has been made; to reinstate support for housing costs for 18-21 year olds and to ensure that Universal Credit meets the cost of temporary accommodation including for households in bed and breakfast
5. Instruct the Chief Executive to write to the borough's three MPs outlining our concerns and asking them to do all they can to achieve changes outlined above

### **5.0 Response to Council Motion**

5.1 **Work with partners to implement the new Homelessness Reduction Act duties as effectively as possible**

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Oldham Council is working with colleagues from Oldham Housing and Advice Service (OHAS) and across Greater Manchester (GM) to prepare for introduction of the Homelessness Reduction Act. This includes:

- Visits to Welsh local authorities who have already implemented elements of the new legislation to obtain information regarding their experience to date, impact on services, working practices, paperwork, etc.
- Oldham representation at GM cross authority working groups developing processes, paperwork and IT systems which will support casework required as part of the new statutory duties
- Agreeing training requirements for all staff across GM working within homelessness services and commissioning this training at a GM level. Bespoke training to take place across the GM region and all staff working in homelessness services will be required to attend this.
- Briefings will take place with members of the Homelessness Forum on the requirements of the new act.
- Briefings will also take place with other 'public authorities' who are specified in the new Code of Guidance when this is published.

## **5.2 Continue to do all it can to mitigate the impact of government policy e.g. by supporting Oldham Nightstop and Oldham Reconnect to help young people**

Oldham Council is working with a range of partners to seek to mitigate the impact of government policy on vulnerable groups. This includes:

- Preventing Homelessness Grant has been used to provide increased funding for Oldham Nightstop and Oldham Reconnect for 2017/18
- Joint work has been undertaken with regard to Department for Work and Pensions (DWP) to agree a number of specified Trusted Partners within Oldham (housing agencies and agencies working with young people, e.g. After Care, Positive Steps, Depaul UK, Oldham CAB) are able to provide information to support that young people are exempt from the housing costs restrictions
- The council has reviewed criteria and pathways for access to supported accommodation in Oldham to ensure that young people who access services should be entitled to support in respect of housing costs
- First Choice Homes Oldham (FCHO) and a number of other registered providers are seeking to develop shared housing options which will be more affordable to young people on low incomes.
- Joint work with colleagues in Exchequer Services to review the current Discretionary Housing Payment (DHP) policy to ensure it supports the homelessness prevention agenda to maximum effect

## **5.3 Investigate ways of increasing housing supply e.g. by improving access to private sector tenancies**

Oldham Council is working towards this by:

- Repurposing a vacant Principal Housing Strategy Officer post to take a more proactive approach and undertake strategic engagement with the private rented sector to selectively develop the sector in Oldham, with particular reference to Houses in Multiple Occupation (HMOs) and developing an offer for Oldham landlords
- As 5.2 above, FCHO and a number of other registered providers are seeking to develop shared housing options which will be more affordable to people on low incomes.

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- Participating in discussion at a GM level in respect of the development of a GM Social Lettings Agency and GM Housing First

Subject to October Cabinet approval:

- Establish a Bond Scheme Officer post. This post would develop links with private sector landlords and letting agents and also develop and administer a paper Bond Scheme to assist households who do not have access to a cash bond to access accommodation. In addition approve establishment of funding pot to underwrite bonds issued by the Bond Scheme Officer.
- Increase resources available through the OHAS contract which will include focus on increased access to, and reduced evictions from, the private rented sector
- In the future potentially utilize Housing Revenue Account (HRA) reserves to acquire or develop suitable properties within the private sector (which may then be managed by a registered provider) to further meet demands.

**5.4 Campaign for changes to Universal Credit to get payments started as soon as a successful claim has been made to reinstate support for housing costs to 18-21 year olds and to ensure that Universal Credit meets the cost of temporary accommodation including for households in bed and breakfast.**

Oldham Council is working towards this by:

- The Leader of the Council has written to DWP to advise of the impact that UC is having on households in Oldham.
- Information has also been provided to Jim McMahon MP by a number of different agencies in Oldham, including Oldham CAB, Oldham Foodbank, First Choice Homes Oldham and the council in respect of the difficulties being faced by households in Oldham who are being moved on to UCFS.
- Staff from across the council are raising awareness of the impact of UCFS on households in Oldham and services to colleagues in other local authority areas and at a GM level.

**5.5 Instruct the Chief Executive to write to the borough's three MPs outlining our concerns and asking them to do all they can to achieve changes outlined above**

- As requested the Chief Executive has written to the borough's three MPs outlining concerns and asking them to do all they can to achieve changes outlined above