

Homelessness Strategy Consultation Response -

Overview

We support the measures set out in the proposed homelessness strategy, including the reduced use of bed and breakfast (B&B) accommodation. However, we are concerned that unless the underlying root causes are tackled this issue could continue and deepen – and temporary accommodation will continue to mean long-term displacement of families, rather than short-term stop-gaps while local, sufficiently affordable housing options are made available in the Borough's three areas (Horley, Redhill and Reigate, North of the Borough). Therefore, this response presents an overview of the homelessness review and then considers to what extent the strategy responds to this.

The homelessness review highlights two underlying problems that are making homelessness worse in Reigate and Banstead:

- Increased termination of private rented tenancies; possibly connected to
- Rising rent prices and a persistent lack of affordable homes.

We propose that the Council take a more strategic role and take responsibility for ensuring that the quality of provision of the private-rented sector improves, and that the quantity (i.e. percentage of overall housing completions) that is social rent (as opposed to affordable rent or affordable purchase) is increased, through:

- Introducing a good landlords' scheme for the private rented sector, or similar;
- Reviewing the SPD for Affordable Homes to increase affordable housing (especially social rent) targets for development; and
- Ensuring that social rent is included at a minimum percentage on all developments on publicly owned land.

Finally, we propose that the revised strategy fully incorporate the forthcoming changes set out in the draft Homelessness Reduction Bill, from the outset, as set out below.

1. Address Current Problems

Underlying Issue 1 – increasing cost/termination of private rented tenancies.

The homelessness review summarises the causes of homelessness over the past five years. For the past year this table could be summarised as household eviction and breakdown (34), violence and/or harassment (13), rent arrears (8), loss of tenancy (42) and other (7). This data shows that homelessness is over 40% due to landlords making a household homeless, and that this is over five times more likely to be the cause than rent arrears. However, comparing the 2011-2013 data to the 2014-2016 data for the table gives a much stronger trend:

- Loss of rented/tied accommodation due to assured shorthold tenancy (AST) termination accounts for **61%** of all of the increase in homelessness between these periods.

This suggests that unless this issue is tackled directly, as the key reason for increased homelessness recently in Reigate and Banstead, then this situation is likely to continue to worsen going forward. This appears linked to a shortfall in *truly* affordable rent (i.e. social rent) locally.

The strategy highlights financial issues of households at risk of being made homeless. But this appears to be effectively tackled already – **the prime reason of homelessness, as noted above, appears to be landlords ending a tenancy and then either selling up, or advertising at a much higher rent.**

Underlying Issue 2 - Link between Homelessness and Lack of Affordable Rented Accommodation

The homelessness review highlights that housing is still becoming less affordable in Reigate (now 13.5 times average earnings) and demand for truly affordable rent outstrips supply. The report notes 50 socially rented properties constructed in the last year, compared to over 500 applications to the social housing register.

The strategy identifies the number of affordable rented properties built locally in the past five years, but does not differentiate between those built at affordable rent (typically 80% of market rent) and those provided as social rent (50% of market rent). With rents increasing annually by a lot, particularly in Reigate and Banstead, the so-called ‘affordable rent’ of 80% of market rent is now not affordable for many/most seeking housing on the housing waiting list. The deficit of truly affordable ‘social rents’ means many households are accepting poorly maintained, poor quality and cramped private rented housing that does not meet their housing needs, as noted above. The Council has provided some temporary, emergency accommodation using the affordable housing Section 106 money but not spent this, or the New Homes Bonus money (as other Councils have done already) on new, truly affordable, *socially rented* homes. Some section 106 money, some CIL money and the New Homes Bonus funds should be used to provide these homes, ideally with an asset lock such as through a ‘community land trust’ to ensure they are provided in perpetuity. This is needed for some of our local residents.

Looking Forward – Potential impact of Universal Credit and Stronger Benefit Cap (£20,000)

We understand that the introduction of Universal Credit and the reduction of the rent cap will impact the financial situation of some households in Reigate and Banstead. If the latter affects 200+ households then some more could become homeless, and the homelessness strategy should accept this continued pressure. This issue is identified in the strategy, and we hope that the Council will take all steps needed to minimise the impact of these changes in government policy.

Addressing these issues requires the Council to have a bolder strategy, that goes beyond its efforts in the past few years to employ efficient tools, including for financial support, and building *temporary* accommodation to deploying new tools to improve the private rented sector locally, and to build more truly affordable (i.e. socially rented) homes in Reigate and Banstead. We accept and

support the provision of more temporary accommodation (affordable homes) in the borough, but think Objective 4 is still not strong enough. The target should not be to reduce the use of B&B but at least to **eliminate the need for using B&B outside of the borough** (because of the dislocation it causes our residents and knock-on impacts this can lead to) and **reduce the total amount of B&B and temporary accommodation used**, by providing sufficient truly affordable socially rented homes for households to occupy, and start to rebuild their lives.

2. Leadership to deal with the underlying causes of increased homelessness

Proposal 1 - New Initiatives to Improve Private Rented Sector in Reigate and Banstead

We propose that the Council take a more strategic role and take responsibility for ensuring that the quality of provision of the private rented sector improves. We recognise that the Council has made significant progress in this area (noting in its strategy the number of additional homelessness cases avoided from the private rented sector) but still, this is the largest contributor to increased homelessness, and should be prioritised in working with landlords, as well as with households that are/may be made homeless. To address this we propose that the strategy could include:

- Stronger leadership by strategic housing partnership, to bring together representatives of the Private Rented/Landlord Sector (including agents) to engage sector to explore issues, including homelessness due to AST termination.
- Improve access to *legal* as well as financial advice to tenants, to reduce the number of tenancies that are ended which could be continued.
- Establish an accreditation system for private rent in the borough and/or a good landlord's scheme. Agree a set of criteria, and maintain a list of landlords that come up to those standards, and make that available for those who are looking to rent. This does not have legal status but would mean a good landlord is encouraged locally.

This is crucial to help meet stated Objectives 1 and 2 of the new strategy. In particular Objective 2, Priority 1 aims to increase the access of *suitable* private rented accommodation. We believe it is vital that is **good** private rented accommodation.

Proposal 2 – Increase and Strengthen Targets for Social Rent, and prioritise over Affordable Rent provision.

Update the 2014 SPD for Affordable Housing, in part as this was produced before the government's Housing Bill so now is dated, and in doing so increase the percentage of overall housing completions that is social rent (as opposed to affordable rent or affordable purchase).

Proposal 3 – Council to lead in provision of socially rented homes, ideally future-proofed

Ensure all council's developments on land it owns, or has an interest in include at least the minimum required proportion of affordable housing, and that the rental portion is at social rent as opposed to

affordable rent. Utilise community land trust or similar ownership structures to ensure that this provision is retained in perpetuity to sustain the number of social rents locally (i.e. not subject to 'right to buy') and utilise the newly established Local Authority Property Company to bring this about.

Proposal 4 – Continue to support, and strengthen engagement, with key third sector organisations

For those that are made homeless, investigate the potential for a one-stop-shop for those made homeless, or in temporary accommodation. Provide support for those made homeless with links to health (including chiropodists, public health support), social care, housing advice and literacy/job support. This could be through continued and strengthened support to agencies including Parashoot and the Renewed Hope Trust, which delivers the Winter Night Shelter each winter locally.

3. Incorporate Impact of Homelessness Reduction Bill

The Homelessness Reduction Bill is currently progressing through parliament. Whilst not yet law, on the current timescale it could be enacted in spring 2017 (which may be slightly before or after this homelessness strategy is brought forward) and in force later in 2017. It is likely to have an impact on this homelessness strategy. It should be included in the 'policy & legislative background' and in the measures and actions proposed throughout. It is proposed that the strategy consider the Bill's impact in the production of a final version, such that the consulted version reflects the national 'best practice' and new council responsibilities reflected in the draft stages of the Bill.

We expect this will have financial implications on the Council. For example, in a consultation response to the government, Bedford Borough Council anticipated a tripling of costs for the Council to address homelessness, with 50% increase in staffing and £1.8m cost associated with the Bill's 'somewhere safe to stay' 56-day accommodation duty.

This will also, we expect, extend the support provided to single homeless people identified in Objective 1, Priority 4 of the strategy.