

5.3 Homelessness

1. Introduction

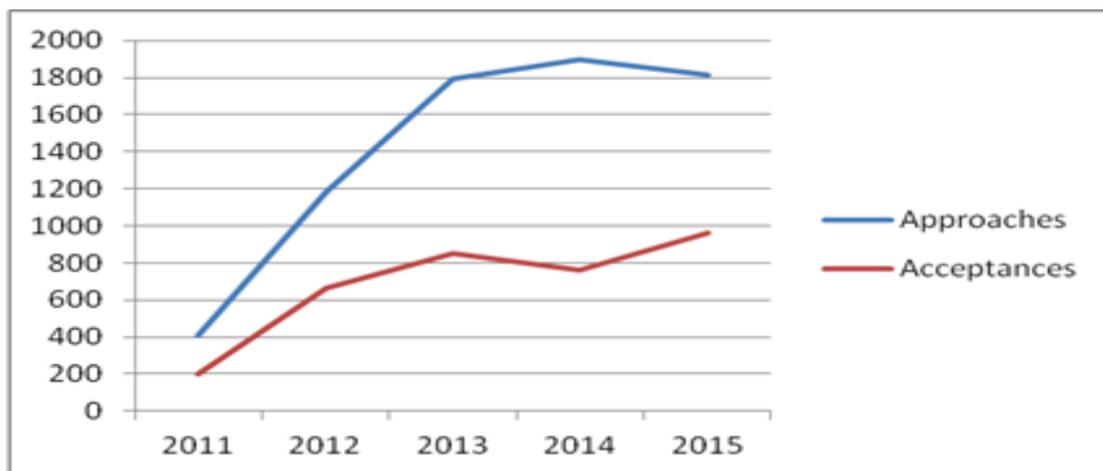
The Council has a statutory duty to assist households presenting as homeless where they are eligible for assistance and in priority need. In the first instance the duty is to endeavour to prevent homelessness wherever possible. If it is not possible to prevent homelessness the Council has a duty to provide temporary accommodation.

2. Current Demand

2.1 The number of households annually approaching the Council for housing assistance and advice has risen from 17,000 in 2010/11 to 30,000 in 2015/16.

2.2 The number of households making a formal homeless application to the Council increased from 408 in 2011 to 1,811 in 2015. The number of households owed a housing duty as a result grew five-fold from 199 to 961 over the same period (see Figure 1).

Fig. 1: Homelessness approached and acceptances, Barking and Dagenham, 2011/12 to 2015/16



2.3 Over the five year period the Council has successfully prevented 9,483 households (57% of approaches) from making a homeless application by providing housing support and advice.

3. Causes of homelessness

3.1 Data on the causes of homelessness has been collected in line with nationally defined categories as shown in Table 1 below. Over the last five years the two main causes for homelessness have been loss of private rented sector tenancy and parental/other household ejection. Over the last year loss of private rented sector tenancy (44%) and parental/household ejection (39%) alone accounted for 83% of all homeless cases.

Table 1: Main causes of homelessness, Barking and Dagenham, 2011 to 2015

Main causes of homelessness	2011	2012	2013	2014	2015
Loss of assured shorthold tenancy in PRS	64	333	339	341	457
Parental/other household ejection	69	340	342	300	306
Relationship breakdown	28	81	55	53	28
Violent relationship breakdown	25	55	40	37	48
Mortgage arrears	4	20	20	6	1

- 3.2 The average property now costs £310,000 (what date) in Barking and Dagenham which is over twelve times the average household income (£25,499) and make home ownership unaffordable for many residents. The majority of households presenting as homeless tend to live in private rented accommodation.
- 3.3 Market rents have been rising much faster than household incomes, particularly for those on benefits, which following the latest welfare reforms are now frozen in cash terms. Private rents have increased by 25% over the last two years, outstripping both inflation and Local Housing Allowance rates. This has led to difficulties for low-income households accessing or sustaining affordable tenancies in the private rented sector (PRS) and consequently significantly increased the number of households presenting as homeless.
- 3.4 There is only a 3% turnover in council housing every year. This severely limits the amount of council housing available to re-house homeless households.
- 3.5 Table 2 shows that the largest single factor behind loss of PRS tenancy is that the landlord wishes to maximise the value of his asset – it is understood that landlords are reluctant to declare that they wish to increase rents and instead advise that they wish to sell the property or live in it themselves. However, given the current buoyancy of the rental market, it is entirely rational that landlords will seek to set rents at levels the market will pay, which will in most cases be substantially higher than the current LHA rates against which housing benefits are calculated. Further evidence of this factor comes from a recent survey of local letting agents, which reported that 92% of landlords did not want to let to low-income households or benefit claimants.

3.6 The second largest factor is rent arrears, which points to the fact that PRS rents are unaffordable for some of those claiming benefits.

Table 2: Estimated breakdown of cases awarded duty for loss of assured tenancy, Barking and Dagenham, 2015

Loss of PRS property reason (457 cases)	Estimated % of cases	Estimated numbers
Rent arrears/rent payment issues	22%	101
Landlord wants to sell	21%	96
Landlord wants property back	20%	91
Landlord wants higher rents	20%	91
Landlord and Housing Benefit issues	8%	37
Disrepair	7%	32
Other	1%	9

3.7 In relation to the second largest factor in homeless acceptances, parental/household ejection, Table 3 shows that overcrowding and non-violent relationship breakdown were the most significant underlying causes, followed by violent breakdown which is usually associated with domestic violence, anti-social behaviour or gang crime.

Table 3: Estimated breakdown of cases awarded duty due to parental ejection, Barking and Dagenham, 2015

Parental exclusion/household ejection (306 cases)	Estimated % of cases	Estimated numbers
Overcrowding	33%	101
Non-violent relationship breakdown	28%	86
Violent breakdown	26%	80
Antisocial behaviour	10%	31
Other	3%	8

3.8 The high level of cases presenting as homeless due to parental or household ejection also hints at a cultural attitude that the Council will supply housing when it is considered the applicant is old enough to be given a property. There is anecdotal evidence that some parents 'play the game' to secure access to social housing for their children. In other cases of household

ejection the reasoning is more transparent such as violent breakdowns of relationship caused by mental stress giving rise to domestic violence.

4. Welfare reform

- 4.1 Welfare reform will apply new pressures on household budgets and tenancy sustainment.
- 4.2 Rising market rents have already generated an affordability gap between market rents and the frozen LHA cap. That gap currently stands at £465 a month for the average two-bed property. Whilst the introduction of the National Living Wage will mean that working households are likely to maintain their total income over the next 4-5 years in cash terms, the effects of inflation, real increases in market rents and frozen benefits could see those in private rented accommodation a further 18% worse off by 2020.
- 4.3 Frozen LHA rates, combined with structural changes in the benefit system, will mean that many who are dependent on welfare benefits will lose even larger portions of their income. This threatens tenancy sustainment in both the social and private sectors and risks a new wave of evictions.
- 4.4 The reduction in the Benefit Cap to £20,000 a year outside of London will also make traditional temporary placement areas like Essex unaffordable for many on benefits. Most capped families will only be able to afford private rented accommodation north of the Midlands or in Wales.
- 4.5 In order to help families impacted by welfare reform and reduce the chances of them becoming homeless a Welfare Reform Team was set up in April 2016. The team's initial objective is to identify all those in the borough who are currently subject to the Benefit Cap, together with those who will be subject to the cap from autumn 2016, and to provide relevant and proactive advice/guidance to them to prevent them being made homeless. The main objective is to get capped claimants into sufficient work to avoid the cap, but those who cannot or will not work will also be given appropriate support.

5. Tackling Homelessness

Early intervention and multi-agency approach

- 5.1 The Council aims to support residents to become more resilient by continuing to focus on early intervention and prevention of homelessness and to provide sustainable housing options. The Council will do this by tackling the multiple needs of households holistically and at an earlier stage, building upon the success of current initiatives taking place across the council.

- 5.2 Establishing multi-disciplinary and multi-agency teams which collaborate closely with the voluntary sector and other strategic partners will deliver early intervention and preventative support such as Troubled Families, Employment and Skills and debt management.

Mediation

- 5.3 It is proposed that the Council will deliver a mandatory mediation service in all non-violent parental eviction cases to help bring the conflict to an end and prevent the household becoming homeless. The team will be specialist negotiators, gently but firmly working with all parties to prevent the household becoming homeless.
- 5.4 Despite the fact domestic violence in Barking and Dagenham is high, the number of cases of homelessness caused by it have been gradually falling, mainly due to the success of a Sanctuary Scheme run through Victim Support's 'Safer Homes Project'. We will work with Sanctuary to help keep more victims safe and secure in their home and thereby avoid

Working with PRS landlords

- 5.5 There will be a fundamental reassessment of the relationship between the council and 'good' private sector landlords (who are the majority). This will mean working constructively with them to ensure that we get early warning of any tenants who are starting to fall behind in their rent, and to develop creative and mutually beneficial financial incentives to get them to avoid evicting tenants.
- 5.6 Whilst there remain a number of 'rogue' landlords in the borough, the majority work in an ethical way and the council could work with them to constructively deal with the issues driving homelessness in a mutually beneficial way. Many PRS homelessness cases could be prevented if landlords could be persuaded to give the council early warning that their tenant was starting to fall into arrears or was behaving in ways that might result in eviction. In such cases appropriate financial or non-financial interventions could be made by the council to sustain the tenancy at a lower cost than the council would incur if the tenant was made homeless.
- 5.7 Nevertheless, in the case of illegal evictions, The Council will take faster enforcement action against rogue landlords who harass tenants. The Council will where necessary apply directly to manage properties through Interim Management Orders (IMO). This will enable poor quality private sector accommodation where the landlord has failed to bring the property up to a liveable standard to be repaired and managed directly by the Council. To date the Council manages 2 private sector properties through IMO's (one in

Thames View and the other in Gorsbrook) and is in the process of taking out a further number of Interim Management Order's against landlords who have failed to improve the standard of accommodation despite the Council's best endeavours to work with them.

6 Increasing the supply of accommodation

New developments and acquisitions

- 6.1 The Council will continue to increase housing supply through new build and existing buildings. Purchasing appropriately-sized accommodation in Barking and Dagenham for temporary and affordable housing is a key component of addressing need. It will continue to convert its own vacant, redundant commercial stock and decommissioned buildings into residential dwellings. Equally, identifying sites for modular and container build as a low-cost solution will add to new housing supply.

Local Lettings Agency

- 6.2 To support residents in finding alternative private sector accommodation, the Council will set up a Local Lettings Agency (LLA) which will directly go out and procure private sector accommodation. This will support households not able to source their own accommodation with the assurance of good quality, decent, accommodation, checked and managed directly by the Council. This will also help those households who have lost their accommodation due to their landlord wanting higher rents to move into accommodation they can now afford.

Working with the PRS

- 6.3 In addition, as outlined above, an improved relationship with private sector landlords will encourage them to let to benefits claimants, many of whom are in regular paid employment. This will become even more important as Universal Credit is rolled out, since payments of benefit will be made directly to tenants rather than to landlords as the default.

Recommendations for Commissioners:

In light of the challenges outlined above there is a prospect of rising homelessness and the Council needs to develop a bolder, more immediate strategy to manage the short and medium-term risks. The Council is to adopt an annual action plan of prevention activities which will:

- Manage demand through Personal Housing Plans and self-resolution
- Look for more affordable accommodation to meet housing need.
- Maintain funding for prevention and tenancy sustainment measures
- Innovate solutions in affordable and emergency housing supply
- Cost-effective procurement of temporary accommodation and local lettings