

Homelessness Reduction Strategy

A plan for Ealing
2018 – 2022

This strategy focuses on significant recent developments in relation to homelessness and supplements the 2014 – 2019 Housing and Homelessness Strategy.

Housing Demand

Homelessness Reduction Strategy

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1. Introduction

Our strategy will be underpinned first and foremost by effective prevention and the principle that the best customer service outcome we can offer our clients is to prevent them ever having to experience homelessness. As such the strategy will fully embrace the Homelessness Reduction Act when it comes into force in April 2018. This strategy supplements Ealing's existing Housing and Homelessness Strategy 2014 – 2019.

This strategy also aims to reduce dependency on less suitable shared B&B accommodation and to end the use of B&B for families where we have accepted a full homelessness duty once and for all whilst addressing the high cost and variable quality of temporary accommodation to meet statutory requirements.

We acknowledge that the financial advantages of temporary accommodation (TA) are coming to an end and that funding a very large portfolio of leased accommodation will in future present a financial risk to the council. We therefore intend to supplement our usual placements into the private sector by creating a new supply of affordable rented accommodation.

Our key aims will therefore be to:

1. Preventing homelessness

Continue to make prevention central to our approach to homelessness and embrace the new legislation, by working with households at the earliest possible opportunity and minimising the number of placements into temporary accommodation through effective prevention.

2. Facilitating employment and financial inclusion

Prevent benefit capped cases in the private sector becoming homeless by assisting them into work or helping them to find alternative more affordable accommodation.

3. Ending family B&B

End the use of B&B for families for whom a full homelessness duty has been accepted by expanding our hostel and property portfolio and supporting households to ensure that their future accommodation is sustainable.

4. Reducing future financial risk

Minimise future financial risk by balancing the number of moves into temporary accommodation with a greater number of moves out in order to achieve a reduction in numbers over time

5. Developing new supply

Develop a new supply of in-house managed, affordable private sector accommodation held as Assured Shorthold Tenancies to generate additional affordable supply and enable the council to bring a homelessness duty to an end.

6. Reducing the cost of the TA portfolio

Continue to address the cost and quality of long term temporary accommodation by assisting capped cases into work and moving households out of expensive accommodation and into cost effective alternatives

7. Developing new pathways for single people

Improve our offer to single homeless people by facilitating supported pathways for single people with specific needs through improved cross-council working and the acquisition of shared housing.

2. Background review of homelessness in Ealing

We have taken account of a number of recent developments in shaping our strategy and these are set out below:

2.1 Developments and trends in homelessness

The P1E government statistics indicate that Ealing achieves one of the highest levels of prevention in the country. In recent months we have improved our prevention service and, by carrying out more intensive prevention interviews at an earlier stage we are now achieving more successful preventions than ever. Ealing consistently achieves around 500 – 600 preventions each quarter and ranks in the top 15 of all Local Authorities nationally. As a result the number of homelessness applications and acceptances is starting to stabilise. The number of acceptances, however, increased by 9% in 2016/17 compared with 2015/16 and Ealing continues to be an area of exceptionally high homelessness demand ranking around 10th nationally.

Metric	2013/14	2014/15	2015/16	2016/17
Number of Homelessness approaches	2931	3612	3271	2878
Number of Homelessness applications	1893	2008	1587	1583
Number of Homelessness acceptances	596	944	689	749

Table 1 – homelessness in Ealing

2.2 Additional capped cases

Housing Benefits received data with details of the housing benefit cases that were to be affected by the new levels of the cap in October 2016. Ealing had the third highest number of cases in the country behind Brent and Birmingham and the second highest in London behind Brent (see figure 1 below).

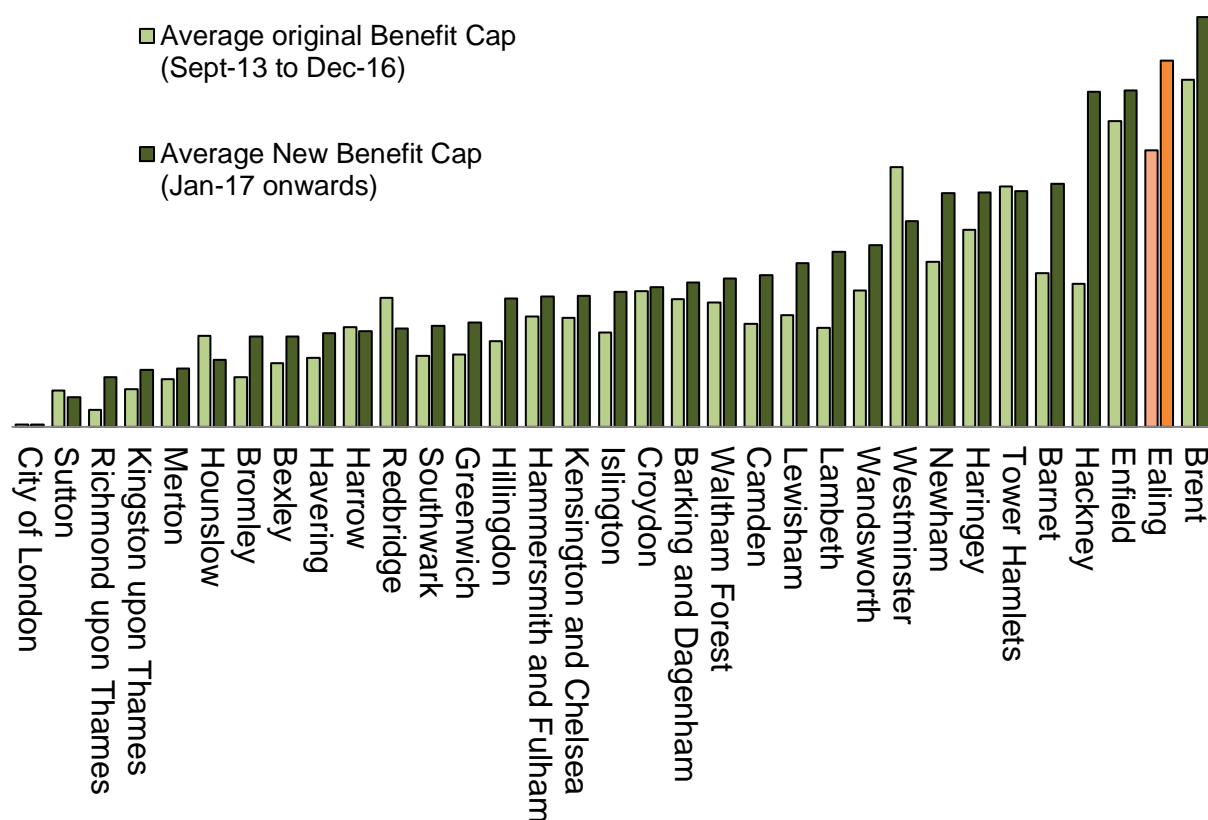


Figure 1 – Number of capped households by London borough

The data initially indicated that Ealing would have 1,655 capped cases, including 459 existing claims and 1,196 new cases broken down by tenancy type below:

Households potentially capped by tenancy type	Capped before the changes		Grand Total
	N	Y	
Private Tenancy	743	210	953
Temporary Accommodation	207	145	352
Housing Association	176	76	252
Council Tenancy	70	28	98
Grand Total	1196	459	1655

Table 2: Benefit capped cases by tenancy type – baseline position

The situation has improved significantly since the initial figures were released as a result, in part, to the positive outcomes achieved through Local Welfare Assistance (LWA) and Housing Demand

project initiatives. It should however be acknowledged that the figures remain fluid as new cases come on stream and existing cases are resolved.

	Council Tenancies	Temporary accommodation	Private tenancies	Housing Association tenancies	Total
August-17	67	187	774	89	1117

Table 3: August 2017 capped cases in Ealing position.

Whilst it is difficult to predict the longer term impact of these new caps it is clear that there was a spike in homeless acceptances of 23% in 2014/15 as compared to 2013/14 after the introduction of the first round of caps (**see table 1**). The likelihood is that without mitigation a similar increase would be experienced later in 2017/18 and 2018/19 when the new caps start to impact more fully.

Ealing is also one of the few boroughs in London where the number of housing benefit claimants has increased as fewer benefit dependent households are able to afford to live in central London locations, as illustrated in figure 1 below.

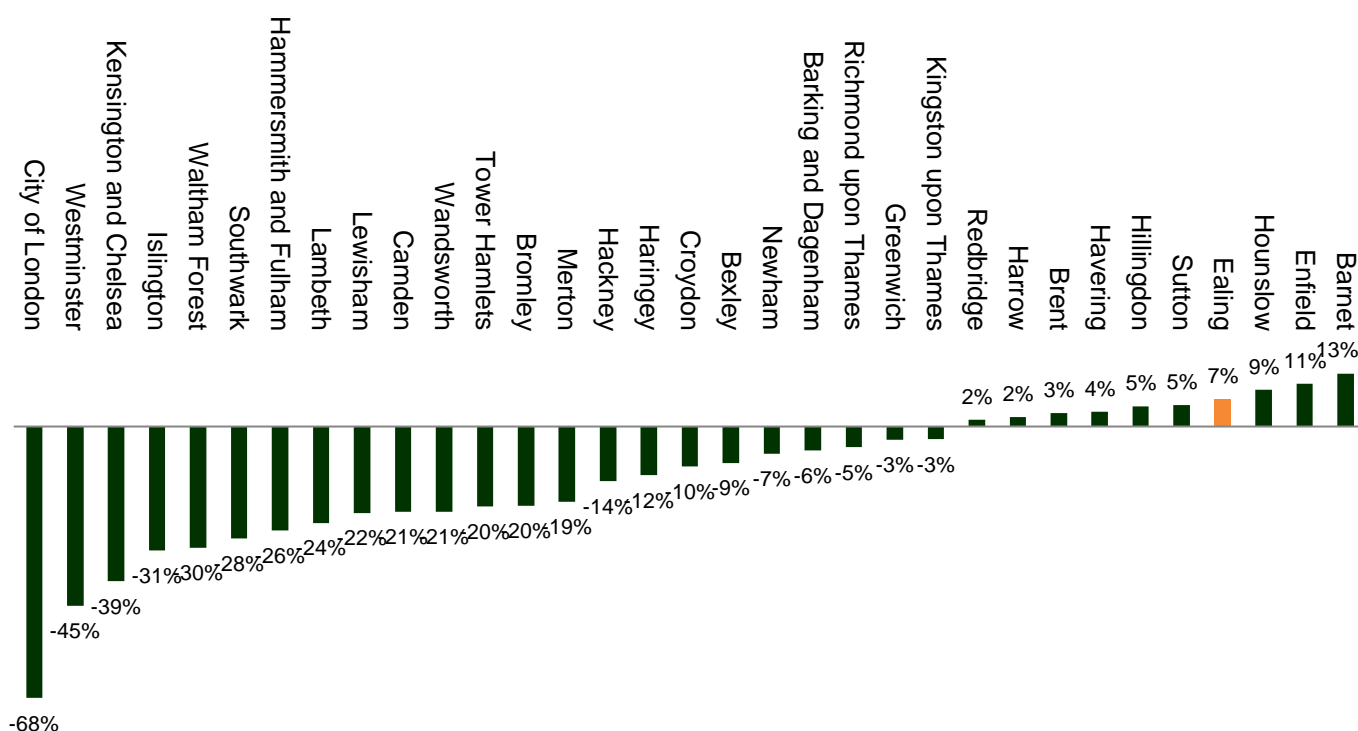


Figure 2 – Percentage change in HB (and UC) PRS caseload between 2011 and 2017 by London Borough

2.3 Temporary Accommodation Subsidy change

The housing benefit subsidy arrangements relating to temporary accommodation have been revised by government from April 2017/18 and the current arrangement for leased properties based on 90% of Local Housing Allowance for January 2011 plus £40 will no longer be applicable for each individual property. The £40 per week per property will no longer be included in the subsidy formula but an upfront block grant based on a calculation by the DCLG of local homelessness demand. It is clear that the link between the number of leased units in the portfolio and the amount of subsidy payable will now be broken and we can no longer rely on a £40 management fee for every leased property held by the council.

The block grant that now replaces the management fee element of TA subsidy is known as Flexible Homelessness Support Grant. In 2017/18 this amounted to £6,051,657.11 in total, consisting of a standard allocation of £5,179,166.72 plus additional funding of £872,490.39 for Ealing as an authority with one of the largest portfolios of temporary accommodation and £5,800,666.73 standard allocation in 2018/19. Local Authorities were advised that the figure would at least cover their current leasing commitments in the first year of operation but whilst there is no reduction for now there is also no guarantee at this stage that funding will continue at the same level beyond 2018/19. In 2017/18 however we are forecasting that the £40 a week commitment for all eligible properties will be fully covered leaving a year end grant surplus of £3,261,896 as at the beginning of end of October 2017. We propose using the funding to cover existing budgetary pressures in Housing Demand, to support homelessness prevention and to pump prime our new self-managed PSL scheme.

The temporary accommodation leased portfolio represents a potential future financial risk to the council from 2019/20 onwards. If however a client can be placed in an Assured Shorthold Tenancy in the private rented sector as an alternative to a temporary accommodation leased unit, the current local housing allowance rates will apply and the £40 management fee paid as a block grant will still (for the time being at least) be available to the local authority to cover the cost of placement.

A financial comparison is set out below and illustrates the fact that rule changes no longer mean that temporary accommodation automatically attracts a guaranteed higher level of subsidy than an assured shorthold tenancy in the private sector.

	TA Subsidy Rates post Apr-17 (90% of Jan 2011-LHA)		
BRMA	IWL	NWL	OWL
1 Bedroom	£216.00	£155.77	£155.77
2 Bedroom	£283.50	£197.31	£186.92
3 Bedroom	£355.50	£259.61	£228.47
4 Bedroom	£495.00	£321.92	£270.00
5 Bedroom	£500.00	£415.39	£301.16
	Current LHA Rates		
BRMA	IWL	NWL	OWL
1 Bedroom	£243.18	£191.38	£175.74
2 Bedroom	£302.33	£242.33	£229.65
3 Bedroom	£354.46	£303.00	£272.50
4 Bedroom	£417.02	£374.40	£318.00
5 Bedroom	£417.02	£374.40	£318.00
	Difference between TA Subsidy & Current LHA Rates		
BRMA	IWL	NWL	OWL
1 Bedroom	£27.18	£35.61	£19.97
2 Bedroom	£18.83	£45.02	£42.73
3 Bedroom	-£1.04	£43.39	£44.04
4 Bedroom	-£77.98	£52.48	£48.00
5 Bedroom	-£82.98	-£40.99	£16.84

Table 4 – Comparison between Temporary Accommodation housing benefit subsidy and current local housing allowance

Current Local Housing Allowance is greater than subsidy in the areas coloured green although larger properties in Inner West and Inner North still attract more housing benefit subsidy as temporary accommodation leased units even without the £40 management fee. If households can be placed in Assured Shorthold Tenancies in the private rented sector instead of temporary accommodation the £40 additional fee per property, per week, will still be available to the service at least until the end of 2018/19 and possibly well into the future as the calculation will be based on homelessness demand rather than temporary accommodation. The DCLG has said that it will publish the grant allocations for 2019/20 in 2017/18.

2.4 The Homelessness Reduction Act

The Act gained Royal Assent on 27th April 2017 and will come into force on April 3rd 2018. The Act includes an expanded duty to provide advice and assistance to prevent homelessness, regardless of priority need at an earlier stage. This includes support to find accommodation but does not mean that the Local Authority is obliged to find accommodation for everyone. There is however an expectation from government that single homelessness will be significantly reduced by the new legislation.

The Act requires LAs to consider those threatened with homelessness within the next 56 days rather than the current 28 days. There is particular mention of situations where a valid s21 notice (notice of intention to evict from the private sector landlord) has been served which will expire within 56 days.

The council will have a duty to assess and agree a plan for single households that are not in priority need. In 2015/16 the service received approaches from 827 single people and we estimate that demand from singles could increase by as much as 50%. The legislation is likely to result in:

- 827 single people each year based on 2016/17 figures requiring a personal support plan to assist them into accommodation
- An increase in review decisions
- More households remaining in temporary accommodation for longer pending a review decision
- Priority need households that are intentionally homeless having to be offered a six-month Assured Shorthold Tenancy or remain in temporary accommodation for longer
- The Act introduces a duty to prevent homelessness regardless of priority need but also regardless of local connection and intentionality which will prevent further challenges
- There is a duty for agencies to refer cases to the council which will enable us to work with households at an earlier stage although our success will also depend upon the availability of accommodation supply. This will come into force in October 2018.

Government funding will be made available for the acknowledged additional financial burdens resulting from the new legislation £63 million over two years with nothing in year three. The funding for Ealing will be £1.157m based on homelessness demand.

We will ensure that all our staff are trained and prepared to implement the new legislation, prior to its commencement, so that Ealing council remains compliant with all its statutory duties and is able to assist people in the most effective way.

2.5 The impact of Local Housing Allowance freeze

Nearly 60% of all households becoming homeless do so because they lose their private sector accommodation. Local Housing Allowance (LHA) rates set the maximum amount of housing benefit payable and these have been frozen in cash terms from April 2016 for the following four years. At the end of March 2017 there were 10,020 housing benefit claimants living in privately rented accommodation in Ealing, some of whom may be at risk of losing their existing tenancies if their rents rise above the existing LHA rates and they are unable to meet the shortfall themselves.

It is impossible to predict levels of homelessness demand with certainty. However there are good reasons to assume that homelessness pressures from the Private Rented Sector (PRS) resulting from caps and LHA freeze will continue to impact adversely on levels of homelessness, the cost of landlord incentives, housing bad debt and the cost of temporary accommodation.

We estimate that around 1,000 additional properties could become unaffordable each year as a result of LHA freeze and although many households will find their own alternative accommodation many will turn to the council for assistance. Although the picture is variable across property size and area in Ealing, there has been an overall increase in rents in

Ealing over the last year.

We are tracking the gap between the average market rent in the private sector and the maximum LHA rate for a one bedroom tenancy per week this was 19.9% (£53 per week) at the end of Quarter 2, increasing to 30.3% (£164 per week) for a 4 or more bedroom tenancy type. An analysis of the gap between average market rents in Ealing compared to the maximum LHA rates is set out below and ongoing analysis will inform a more intelligence led approach to the payment of incentives to landlords rather than a one size fits all formula that could potentially inflate market rents.

A National Audit Report in September 2017 examined the impact of welfare reform measures on homelessness and concluded that average earnings in London have increased by 3% whilst private sector rents have increased by 24% and both Shelter and the LGA are lobbying to lift the LHA freeze. As things stand the freeze will apply until 2020 and the impact of this on increased homelessness demand is likely to continue.

Area	Rent level/property type	1 bed	2 bed	3 bed	4 bed
Acton (IWL)	Market rent pw 12.7.17	£300	£397	£536	£680
	Max LHA	£243.18	£302.33	£354.46	£417.02
	LHA as % of market rent	81.06%	76.15%	66.13%	61.33%
Ealing (IWL)	Market rent pw 12.7.17	£306	£418	£578	£631
	Max LHA	£243.18	£302.33	£354.46	£417.02
	LHA as % of market rent	79.47%	72.33%	61.33%	66.09%
Greenford (OWL)	Market rent pw 12.7.17	£213	£300	£380	£420
	Max LHA	£175.74	£222.96	£272.50	£318.00
	LHA as % of market rent	82.51%	74.32%	71.71%	75.71%
Hanwell (IWL)	Market rent pw 12.7.17	£268	£356	£540	£603
	Max LHA	£243.18	£302.33	£354.46	£417.02
	LHA as % of market rent	90.74%	84.92%	65.64%	69.16%
Northolt (NWL)	Market rent pw 12.7.17	£224	£296	£393	£423
	Max LHA	£185.81	£242.33	£303.00	£374.40
	LHA as % of market rent	82.95%	81.87%	77.10%	88.51%
Southall (OWL)	Market rent pw 12.7.17	£193	£306	£366	£431
	Max LHA	£175.74	£222.96	£272.50	£318.00
	LHA as % of market rent	91.06%	72.86%	74.45%	73.78%

Table 5 – Comparison between average market rents and maximum benefit payable

As the affordability of privately rented accommodation reduces for low-income households:

- Large numbers of households are still presenting as homeless. Annual figure

2016/17. 57% of all accepted homeless households had lost their Assured Short-hold Tenancy in the private sector

- It has become more difficult for the council to cease a homelessness duty or prevent homelessness with an offer of private sector accommodation, as there are less affordable private sector properties available to low income households. There are additional costs to the council as landlords accepting nominations from the council expect a cash payment to cover some of the shortfall between market rents and Local Housing Allowance. Landlords are increasingly requesting annual incentive payments to renew tenancies at rents fixed at LHA creating additional pressures on the Housing Demand budget.
- There are fewer properties available for use as longer-term temporary accommodation and consequently households are spending longer in unsuitable shared accommodation.

The freeze in LHA has meant that we have had to pay cash incentives to landlords for both direct lettings in the private sector as well as new leases and lease renewals. As a result the incentives budget is overspent and generally not fit for purpose and is now an ongoing budgetary pressure as the current financial allocation is not meeting market demand.

2.6 The impact of Universal Credit

Based on the experience of pilot authorities it is likely that the migration of households onto universal credit will inevitably lead to private sector rent arrears, eviction and an increase in homelessness. Many households will be assessed as intentionally homeless under the homelessness legislation and will become the responsibility of Social Services if they have dependent children. .

Universal credit is scheduled to go live in Ealing from February 2018 and around 1% of all housing benefit cases are predicted to migrate to UC each month.

3. Strategies to meet key aims

This section sets out the strategies we have implemented or plan to implement to meet our key aims and objectives;

3.1 Prevention - We will continue to make prevention central to our approach to homelessness and embrace the new legislation, by working with households at the earliest possible opportunity and minimising the number of placements into temporary accommodation through effective prevention

3.1.1 Working with households at the earliest opportunity

The legislation represents both a challenge and an opportunity in this context. The challenge will be in developing and preparing bespoke materials for clients and staff to prevent homelessness and developing personalised housing plans for an increased volume of clients over a longer period of time.

The service has already switched emphasis from dealing mainly with households in crisis to providing an in-depth prevention interview at the point when a household presents for the first

time. They may at this stage be several months away from eviction and homelessness. We have allocated staff to a dedicated prevention team and the workload has started to shift from assessing households in crisis to intensive prevention. The legislation presents an opportunity in that more households may be encouraged to approach the council at an earlier stage, enabling us to prevent homelessness more effectively and assist households into alternative accommodation at relief stage.

We will continue to work with households at an earlier stage to prevent homelessness and reduce the number of placements into TA and we will aim to reduce placements as a percentage of the number of approaches by 5% year on year. We were seeing a reduction in initial placements up until October 2017 as indicated below. There has however been an increase in demand in November and December resulting in a greater number of placements than the same period in 2016.

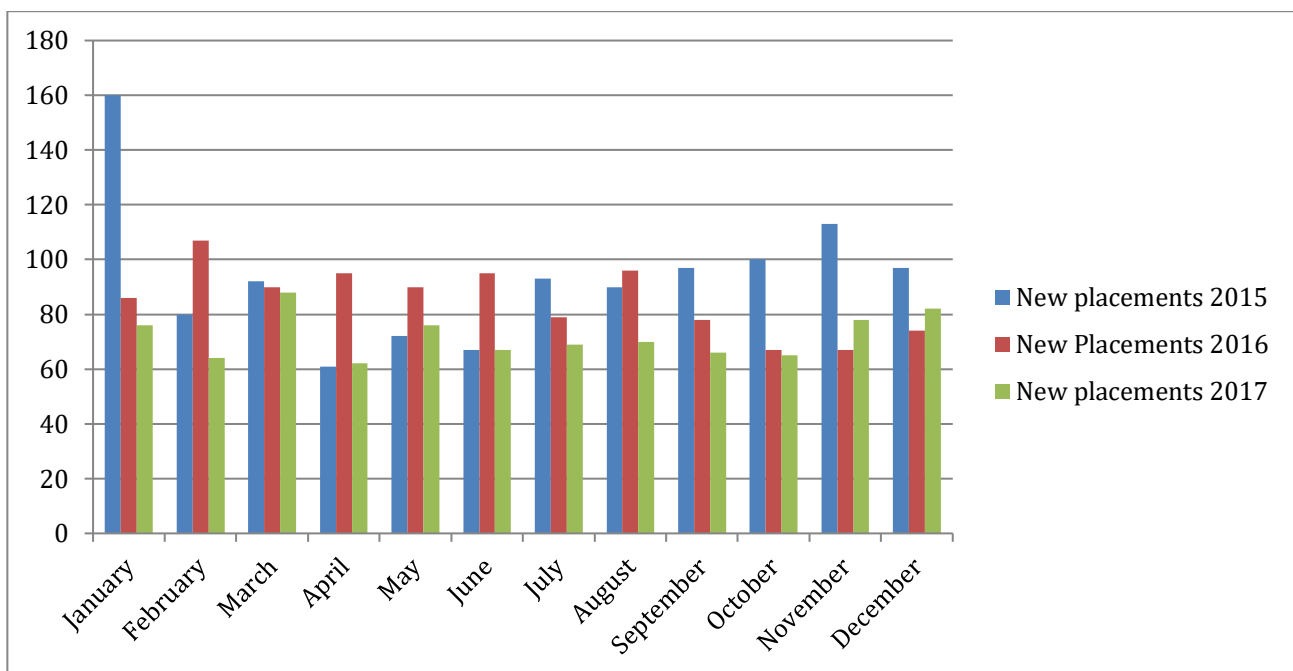


Figure 3 – Initial placements into temporary accommodation

3.1.2 Successful methods of prevention in Ealing

The majority of households becoming homeless (nearly 60%) do so because they lose their assured shorthold tenancy in the private sector and negotiation with the landlord to sustain an existing tenancy is the most effective method of preventing homelessness. We also work with households to give them the tools to assist them in identifying affordable alternative accommodation. These two activities in conjunction with the use of landlord incentives and Discretionary Housing Payments are areas that we would wish to build on during the extended prevention period afforded by the legislation. We recognise that where people are not able to source their own accommodation we will have to assist in the process and our plan is to employ three additional Acquisition Officers procuring accommodation focusing solely on prevention and providing a low level six month tenancy sustainment service. Our aim will be to acquire alternative accommodation at relief stage before the household becomes homeless where-ever possible.

3.1.3 Duty to refer

We will develop a referral process for internal and external partners, with an emphasis on making best use of any information the customer has consented to the referrer sharing with us, so that we can develop the best possible Personalised Housing Plan.

We recognise that this will also require training and briefing for employees of the specified public bodies if we want this to be an effective process, and one which offers us the best chance of engaging at an early stage with customers, whose circumstances are best known to partner agencies.

We already engage with partner public bodies in forums such as the Homelessness Forum, the DV MARAC and MAPPA panel but we recognise that a concerted awareness raising campaigning will be necessary to ensure those, who need to understand their responsibilities, do.

3.2 Employment and financial inclusion - we will prevent capped cases in the private sector becoming homeless by assisting them into work or helping them to find alternative more affordable accommodation.

Our new project team is contacting private sector tenants that have been capped since 15th May 2017. Cases with the highest shortfall between rent and available housing benefit have been prioritised and 300 households with the largest rental shortfall have now been contacted (in some cases several times) and invited to an interview.

Between 13th March and the beginning of July 2017 95 households were interviewed and of these 37 are now exempt from the cap. The team are tapping into a range of other services, particularly specialist employment support and assistance with childcare.

We intend to ensure that of the 953 baseline private sector cases no more than 100 of these cases become homeless as a result of the caps. The position at the end of December 2017 was that only 27 of the cases originally identified in the private sector have subsequently been placed in temporary accommodation which is well within target for the project.

Our aim will be to recruit new entrants to the service and train them in-house. We will ensure that our staff are fully prepared for the new legislation with procedures and a suitable IT system in place by 3rd April 2018.

3.3 Ending family B&B - We intend to end the use of B&B for families for whom a full homelessness duty has been accepted by expanding our hostel and property portfolio and supporting households to ensure that their future accommodation is sustainable.

Reducing the use of shared B&B accommodation for families is the most urgent and pressing short-term objective for the Housing Demand service. Although at any time up to 60 families will have a clear exit route out of B&B, i.e. they will either have had a negative homelessness decision, have their accommodation cancelled for arrears or have received an offer of accommodation there were over 250 families (at the start of the programme in July 2017) residing in B&B. B&B accommodation is “unsuitable” after six weeks and the council is acting unlawfully where this is the case. In addition families accommodated in B&B are costing the council over £1.3m annually.

We monitor all family B&B cases on a fortnightly basis at a meeting attended by relevant managers. The meeting ensures that:

- There is no delay in assessing cases and negative decisions are enforced appropriately
- All available lettings are made strictly in date order to the longest standing cases
- Income collection is being progressed and properties are cancelled where arrears are outstanding
- The acquisition team is working with households in B&B to assist them to move into direct lets and providing low level support in their first six months of tenancy

There were approximately **250** families in B&B in July 2017 at the start of the project, for whom a full homelessness duty had been accepted. This had been reduced to 165 by the end of December and we aim to further reduce this figure to nil by September 2018. Around **60** of these already have an exit route at any time – e.g. they have been offered accommodation, have received a negative decision, are going through a review process or pending eviction for arrears.

We will develop alternatives to B&B for families in order to tackle this issue and we are seeking to replace the B&B units with additional hostel units, our installation programme is already underway and is set out in **table 6** below:

Table 6 - Additional hostels to replace B&B for families

Hostel accommodation type	Approximate delivery date	Number of units
Modular Homes - Marsden Court	April 2017	34
Modular homes – Hope Gardens	December 2017	64
Modular homes – Poplars	January 2017 June 2018	27 30
Modular Homes -Westfield's	April 2018	35
New hostel – Heller House	August 2017	18
New hostel – Cowing's Mead	September 2017	17
Modular homes - Corbet House	April 2018	14
Spot purchased accommodation	End 2017/18	7
Total units		246

We will deliver an additional **212 hostel units** over the 16 months of the programme (allowing for slippage) and provided the number of households placed in B&B does not exceed the numbers being moved out we should have ceased family B&B for accepted homeless cases use by September 2018.

We will identify an additional facility to accommodate the remaining 4 households over the next 18 months. Our aim will be to have no accepted homeless families in B&B by September 2018.

3.4 Reducing future financial risk - We will minimise future financial risk by balancing the number of moves into temporary accommodation with a slightly greater number of moves out in order to achieve a reduction in numbers over time.

Given the financial uncertainty surrounding temporary accommodation subsidy change, the days of a large cost neutral leased portfolio are coming to an end and the only way to deal with the financial uncertainty will be to reduce the size of the leased portfolio, particularly supplier managed leased units. Maintaining a greater number of movements out of TA than into TA will be key to the strategy to reduce units overall in the longer term. We acknowledge that this will be extremely challenging for the service at a time of such high demand and in 2018/19 and 2019/20 we will aim to stabilise rather than reduce TA numbers.

Supply and Demand

In broad terms we expect acceptances to be around 800 - 850 in 2017/18 and beyond and new supply taking households out of TA is around 780. To ensure that the temporary accommodation portfolio remains static or reduces, the supply of assured shorthold tenancies will have to increase and the model described in 3.5 will help to achieve this.

On average 65 households each month have been newly placed in temporary accommodation since September 2016.

In terms of the moves out of TA:

- 15 moves on average each month are made into social housing from TA
- 15 households each month are moved into direct lets by the Acquisition Officers each month
- The temporary accommodation reduction team closes accounts for over 23 households each month including around eight households that are not occupying their accommodation and 15 that are moved into the private sector.
- Around five households are evicted or have their accommodation cancelled each month for rent arrears
- Around five households receive negative decisions and their accommodation is cancelled.
- Around seven Safe Haven units are converted to Assured Shorthold Tenancies each month and are no longer classified as temporary accommodation. (there are only 80 remaining units pending conversion)

Total moves out should equate to around 67 each month so there are slightly fewer new placement in temporary accommodation than the number of moves out. There will be seven less each month when all Safe Haven units have been converted so the number of moves out will have to be increased if numbers are to reduce or even to remain static. The self-managed PSL scheme described in section 3.5 will provide a further boost to supply. We will aim to increase supply by up to 200 units per annum (16 units per month) when the scheme is up and running. The allocation policy will be reviewed in 2017/18 and it will be essential that the new policy supports the strategy in reducing numbers in TA.

Additional moves out of London

Our placement policy was agreed by Cabinet in May 2016 and all out of borough placements will be made in accordance with this policy which takes account of education, employment, health links and support networks for vulnerable applicants. .

We will supplement the moves out of TA through the following additional initiatives:

We will work with other West London authorities to pool resources and co-ordinate a response in a number of areas including, joint temporary accommodation procurement, cooperation on property purchase schemes through a memorandum of understanding and preparation for the new Homelessness Reduction Act.

The West London sub-regional project aims to acquire units outside of London and is identifying new areas with an available supply of affordable units outside London.

In addition we will increase options to move households out of temporary accommodation into lower demand social housing. Ealing council subscribes to a national scheme called Homefinder for existing council tenants and accepted homeless households to bid for social housing, the significant majority of which is outside of London. At present Ealing has been the most successful council with 20 successful moves. Within the West London sub-regional group, we anticipate developing a similar system with Locata providing the IT solution. The new system will hopefully pull through information from our Housing Register and allow applicants to see social housing options both inside and outside the borough. Additionally we work with Bridge Housing Solutions who provide a bespoke service to existing social housing providers by matching accommodation and applicants again predominately outside of London and to date, the council has moved six households through this route. We will continue to advertise available properties through the LOCATA IT system. .

A feasibility study has recently been conducted for a pan-London initiative to procure leased accommodation with £23m government funding. The aim is for authorities to work collaboratively to procure a shared portfolio and to increase accommodation supply.

Through these measures we will aim to stabilise and effect a reduction in temporary accommodation over time but this assumption is based on an average of 65 new placements a month and the risk is that the impact of additional caps, the Homelessness Reduction Act, Universal Credit and ongoing Local Housing Allowance freeze could lead to increased numbers of placements over the next two years.

3.5 Developing new supply - we will develop a new supply of in-house managed, affordable private sector accommodation held as assured short-hold tenancies to enable the council to bring a homelessness duty to an end.

The feasibility study for a new service will be undertaken between July 2017 and April 2018. The service aims to:

- Generate a new supply of long term good quality accommodation
- Reduce costs to the council and mitigate future financial risks associated with temporary accommodation
- Enable the council to discharge its homelessness duty
- Provide tenancy support to vulnerable households

The council is only able to discharge the main homelessness duty through an offer of social housing or a Private Rented Sector Offer (PRSO). Due to its scarcity, social housing can only be offered to a fraction of the total number of households that the council owes the main homelessness duty to and so the aim has been to increase the number of “direct lets” with landlords in the Private Rented Sector (PRS). At present, between 15 and 20 PRSOs are made each month. Typically it is necessary to make an incentive payment to the landlord/agent,

equivalent to 12-weeks' rent in advance, in order to secure a 12 month assured shorthold tenancy. However it should be noted that if this tenancy is not sustained and the applicant re-presents to the council within two years, then the council will have a further housing duty unless they are intentionally homeless.

In order to increase the number of PRSOs, and reduce the number of people in temporary accommodation, it is proposed that the Council sets up a scheme to lease properties directly from private sector landlords and offer them to homeless households on an Assured Shorthold Tenancy (AST). As a Local Authority, the Council is unable to grant an AST in its own right. However, if a distinct legal entity, such as a wholly owned company, were to lease the properties then it could hold ASTs, enabling the Council to discharge a homelessness duty. As these tenancies would be treated as PRS tenancies for housing benefit purposes, they would attract current LHA rates which are, as **Table 4** illustrates, typically more generous than TA subsidy rates post-April 2017. All options, including setting up a new council owned company, are currently being explored.

The offer to landlords would mitigate the perceived risks of letting to tenants in receipt of housing benefit, such as rent arrears, the requirement for more intensive management, and concerns about neglect or potential damage to the property. At a minimum, a guaranteed rent would need to be offered as set by the lease (including for void periods), with rent collection and general housing management undertaken by the council or a subsidiary. In addition, it is hoped that some form of repairs offer could be made to minimise difficulty for the landlord and make sure that properties procured through the scheme are maintained to a reasonable standard. Once established, it is intended that the scheme can also be using as a prevention tool, with the vehicle taking over the tenancies of households threatened with homelessness in order to sustain them in the PRS.

As part of the agreement the company would deduct a small percentage of the rent as a management fee to cover the cost of bad debt, void loss, and day-to-day running costs. However, this fee would only be looking to cover costs and as such should be competitive with agents offering a similar service who are looking to turn a profit.

We will aim to increase the number of well-managed affordable PRS units in the borough to sustainably accommodate low income families by 200 per annum. In addition, the scheme is likely to be more financially sustainable and generate savings.

3.6 Reducing the cost of the TA portfolio - We will continue to address the cost and quality of long-term temporary accommodation by assisting capped cases into work and moving households out of expensive accommodation by acquiring cost effective alternatives

The subsidy shortfall figure although not exactly equivalent to the council's losses provides a useful indication of the cost of temporary accommodation. Overall losses in 2016/17 were reduced. The year-end figure was £5.958m at the end of 2016/17 and this was a reduction of over £0.600m compared to 2015/16 and the first time losses had been below £6m since 2012/13 at a time when the number of homelessness acceptances were increasing overall and dependency on B&B (the most expensive form of temporary accommodation) had increased

Strategies to reduce the use of B&B as set out in 3.1 will have the biggest impact on subsidy shortfall losses. B&B currently accounts for over £1.3 million in housing benefit shortfall losses. A great deal of work has been done over the last year to reduce the overall cost to the council of the temporary accommodation portfolio:

We will secure new leased units and convert self-contained emergency accommodation to longer term leasing arrangements to reduce costs and improve quality.

Eighteen months ago large numbers of non-loss making PSLs were being lost to the council as landlords and suppliers switched to more expensive nightly paid annexe accommodation. One supplier terminated 200 low cost leasing arrangements units and some households lost their long term accommodation and had to be accommodated in B&B as a result. All available supply had to be directed at households living in properties where leases are coming to an end and as a result B&B use increased.

The strategy has been to pay the same for emergency self-contained accommodation as we pay for leased self-contained accommodation to ensure that that our local rates are not exceeded by other London authorities through the pan London protocol. Unfortunately the strategy also resulted in a reduction in overall supply for several months again increasing our dependency on shared B&B an issue that is addressed in our strategy.

The strategy has been successful in that by paying a little more for leased accommodation and the same rate for annexes we have stopped suppliers demanding their property back and converting to emergency annex accommodation at higher rates. As indicated in **table 7** below between quarter 1 2016/17 and quarter 2 2017/18 the impact has been that lower cost Private Sector Leased units (PSLs) have increased by 115 and nightly paid annex accommodation has reduced by 210. Overall the average cost of TA came down by £3 per unit per week even though the increase in B&B use, particularly for larger families over the same time period has resulted in additional financial loss.

TA property type	Q1 2016/17			Q2 2017/18*		
	Total weekly loss	Units (approx.)	Average weekly losses	Total weekly loss	Units (approx.)	Average weekly losses
Nightly paid emergency accommodation						
Hostels	£0	146	£0	£0	184	£0
B&B shared facilities	£25,921	401	£65	£25,480	455	£56
B&B self-contained	£1,606	22	£73	£584	14	£41.69
Annex	£43,143	766	£56	£28,422	556	£51.12
Sub Total: Emergency Accommodation	£70,670	1335	£53	£54,487	1209	£45.06
Longer term temporary accommodation						
PSL non-loss making	£0	510	£0	£0	471	£0
PSL loss making	£12,214	302	£40	£15,797	456	£38
Sub Total: Non- Emergency Accommodation	£12,214	812	£15	£15,797	927	£17
All temporary accommodation	£82,884	2147	£39	£77,688	2136	£36

Table 7 – Table to illustrate changes in the cost of temporary accommodation units by TA type.

*The figures for 2017/18 assume that the £40 management fee is covered by the available Flexible Homelessness Support Grant to provide a direct comparison.

Over the last 18 months:

- Non-loss making PSLs have been lost but we are now starting to acquire more PSLs at low cost to the Council to replace them
- The number of expensive annexes has also reduced along with the average cost of annex units.
- Average losses on loss making PSLs have reduced by £2

Acquisition staff have a calculator (developed in-house) to calculate the potential maximum loss on accommodation procured. Recently procured leased accommodation does not generally represent a loss to the council. There are sometimes exceptional circumstances where because of the specific needs of a household, the property procured generates a loss but this represents less of a loss than other alternatives available to the council e.g. a commercial hotel. In addition we are able to generate a weekly report indicating losses on each individual property in the portfolio enabling us to target the most expensive cases for moves out of TA.

Safe Haven portfolio

We have successfully negotiated the handback of a portfolio of 200 Safe Haven units that were costing the Council £9k each annually in rental costs and bad debt. Around 8 of these units are being converted each month to Assured Shorthold Tenancies with an RSL. We will aim to have converted all properties by June 2018, although we will aim to handover units earlier if possible and reduce losses to nil as quickly as possible and no later than the end of the first quarter of 2018/19.

Ongoing cost reduction by the Temporary Accommodation Cost Reduction Team.

The temporary accommodation cost reduction team has already achieved cost avoidance of £3.4 million between October 2015 and October 2016. The life of the team has been extended and they will continue to work to stretching cost reduction targets. Shortfalls have reduced so savings will not be as high over the coming year but we will still expect our savings to be at least double the cost of funding the team from April 2017 onwards. The team will be expected to achieve cost avoidance of at least £2m each year over the next four years consisting of savings in bad debt on capped cases and savings on shortfalls for expensive temporary accommodation.

Performance achieved since April 2017 as at the end of December has been as follows:

Tackling expensive TA

1821 occupancy checks – 79 units cancelled as a result
204 households in TA interviewed and 9 found their own accommodation as a result
43 households relocated to the private rented sector
40 households moved to low cost leased units
9 moved to social housing

Cost avoidance of £1.413 achieved in the first 9 months year to date against an target of £1.7m

Dealing with capped cases:

From a baseline position of 185 cases
56 have found work

Six are exempt now claiming PIP
 Five are claiming carer's allowance
 15 are wrongly capped and waiting for the cap to be removed
 Two has ESA support component agreed
 10 have been moved to cheaper accommodation in the private rented sector.
 Seven have been evicted for arrears
 Two have received negative decision
 Four have been cancelled for non-occupancy
 One has a shortfall of less than £20.00 and are able to afford the shortfall
 19 have received notice to quit for rent arrears
 Four cancelled because they failed to supply HB information
 The team are continuing to work with the remaining 75 cases.

Savings from households leaving and now exempt from the cap in avoidance of bad debt over a 52 week period **£749,249 achieved in the first nine months year to date against a target of £1m for 2017/18**

Although we started from a baseline of 185 capped households in TA at the beginning of April 2017 there were 199 benefit capped cases in temporary accommodation at the end of December 2017. An additional 165 households have become ben-capped in temporary accommodation since April 2017 and this masks the achievements of the cost reduction team.

:

- Around 102 cases were either already in temporary accommodation and although they were not identified as capped at the beginning of the process have subsequently become capped or have had a change of circumstances since they moved into TA. Some of these households are only capped as a result of the higher rents in temporary accommodation.
- Since the beginning of April only 27 of the original capped cases in the private sector have moved into TA.

The TA cost reduction team are also working with the 165 newly ben-capped cases and 59 of these cases were no longer capped by December 2017 as a result of this work.

The team will aim to achieve cost avoidance of £2m per annum over the next four years by dealing with moves out of expensive TA and assisting capped households in temporary accommodation

Supply of additional long term shorter term accommodation

We recognise the need to acquire shorter term accommodation to meet a relief duty under the new legislation. In addition there is still a need for longer term temporary accommodation supply to replace leased accommodation that may become unaffordable in future. The ongoing procurement of leased accommodation could be a high risk area in future depending on the outcome of subsidy change. Whilst strategies are in place to reduce the overall size of the temporary accommodation from 2020/2021 by around 2 properties each month and to reduce TA costs to the council we will also aim to replace more of the 500 or so high loss units more quickly.

We will continue to explore opportunities for bulk purchase. Sites of over 50 properties are being explored for mixed tenure including temporary accommodation but this will depend upon us having a viable financial model to facilitate purchase. We would also hope to extend our spot purchase scheme. 83 properties have been purchased for TA purposes to date.

Council licencing of private sector accommodation affords an opportunity to take greater control of property standards but also provides an opportunity for households to access private sector lettings

or for the council to take on the direct management of private sector properties for homeless households. Targeting landlords and offering nominations at the point of licencing could help to boost the supply of much needed lets in the borough.

Making best use of the available social housing.

Larger households in temporary accommodation represent the highest cost to the council and are the hardest to rehouse. Part of our strategy is to ensure that under-occupying households move to smaller accommodation thereby releasing larger units for larger households including homeless families.

3.7 New pathways for single people - Improve our offer to single homelessness people by facilitating supported pathways for single people with specific needs through improved cross Council working and the acquisition of shared housing

The Homelessness Reduction Act will come into force in April 2018 and requires the council to provide a Personal Support Plan for all single people approaching the council at risk of homelessness to prevent their homelessness or support them into accommodation. There are high expectations that the legislation will reduce single homelessness based on the experience of similar legislation in Wales.

Based on 2017/18 demand this will mean that we will have a duty to develop plans for 827 people who were singles (not pregnant and with no dependents). The legislation will undoubtedly raise expectations but it will not lead to an increase in the supply of affordable accommodation. Singles under 35 will only be entitled to housing benefit up to the level of single room rent and we know that of the 827 singles assessed in 2016/17 112 were vulnerable under the homelessness legislation and accepted as homeless and a further 401 had some 'vulnerability or support' we at least had to consider.

We will work with the voluntary sector and facilitate the development of shared housing schemes to prevent homelessness with commissioned services to support the first stage in sustainable independent living for singles with low level support needs.

Rough sleeping

In a climate of diminishing resources we are very aware of the need to work in partnership with the wider voluntary sector and in particular our outreach service run by St Mungo's. The service continues to stabilise rough sleeping despite huge pressures

We have a commissioned Outreach service locally, provided by St Mungo's. The Head of Housing Solutions commissions and manages this contract and we already have extremely close working relationships in place, both regarding current rough sleepers and intermittent rough sleepers, known to the service, who are at risk of returning to the streets.

About two-thirds of Ealing's rough sleepers have no recourse to/ eligibility for public funds and they will continue to require a specialist response outside of the Homelessness Reduction Act

For the remaining one-third, we will ensure that responsibilities are clearly delineated between our Housing Solutions Service and the Outreach team, in a way that works best for the customers concerned. Some rough sleepers will be best served by the specialist resources available through the Outreach Service, especially if they are entrenched or have other support

needs. Others will benefit from the referral arrangements from Outreach to Housing Solutions which already exist and whose effectiveness we will need to monitor during the implementation phase for the new legislation.

We are also keen to ensure we do whatever we can to assist rough sleepers without recourse to public funds to leave the streets. As a council, we are clear that the risks of sleeping rough, to those individuals who do it, are too great for us to tolerate it as a matter of choice. We are also clear that rough sleeping can be detrimental to some borough residents and to our environment.

Where possible, this will be done by means of voluntary reconnection to a home country. Our St Mungo's commissioned service are sometimes able to achieve this, including by helping people to acquire travel documents, or to establish a settled UK status.

In some instances, the only way to end rough sleeping will be by Home Office intervention and enforcement. We will work with colleagues in Safer Communities to ensure that the most effective way off the streets is found for any individual rough sleeper and we will work in effective partnership with the Home Office and other statutory agencies'

Violence against Women and Girls

The Housing Solutions Service will offer advice about prevention, tailored to victim/survivors of domestic abuse. This will include signposting customers for legal advice, referring to the DV MARAC so that an Independent DV Advocate can be assigned, making best use of Sanctuary schemes and enabling and supporting a safe move, when this is the best or safest option.

Interagency working

Our Homelessness Forum meets quarterly and is well attended by over 30 voluntary sector partners and endeavours to strengthen the communication and coordination of support between statutory and voluntary services specifically concerned with homelessness in the borough.

This year the forum has covered topics including:

- Mental Health & Homelessness
- Women & Homelessness
- Poor Housing Conditions

And presentations and updates from:

- LB Ealing Housing
- Housing for Women, H4W
- Women in Prison
- St Mungo's Resettlement
- EC MARAC
- Hestia's Mental Health Services
- Mind Services in Ealing
- Single Point of Access – WLMHT
- Ealing Liaison Psychiatry Service
- EACH Floating Support
- Care Coordination Service
- Making Every Contact Count
- Home for Good

- Property Regulation

We will improve partnership working with organisations in the borough that have a shared interest in improving housing outcomes and options for single people.

We will do our best to extend advice provision services of Shelter and Crisis into the borough and co-locate some services with ours, in Perceval House. We will seek the input from our local partners, to enable them to become part of a more joined up network of services, within which we will have clear pathways for different housing need groups.

We will continue to participate in a pan-London rough sleeping prevention service, run by St Mungo's, which the sub-regional homelessness group has facilitated after successfully bidding for central government funding. In Ealing we will have access to a central triage team and the benefit of one dedicated officer, who will offer casework for those who are deemed to be at risk of sleeping rough, based on their circumstances and history.

We will review our supported housing and floating support resources, to make sure we use them in a way which benefits those in greatest need and helps us to meet our new legal duties to single homeless people

4. Links with other strategies

In formulating a Homelessness Strategy the council is required to take account and ensure a consistent link with other strategies and programmes that aim to address the wide range of factors that could contribute to homelessness in the local area.

4.1 The Allocation Policy

The council's Allocation Policy which is currently under review. To strengthen our homelessness strategy we are proposing incentives for households preventing their homelessness through acceptance of a private sector offer rather than creating a perverse incentive for households to become homeless and to be placed in temporary accommodation in order to receive a higher banding. In addition we would like to consider giving greater priority to households who have been in temporary accommodation for more than five years. The detail of these proposals will be set out in a future report to Cabinet and subject to Cabinet approval.

4.2 The Private Sector Housing Strategy

The key aims of our 2014/19 Private Sector Housing Strategy are also consistent with this strategy they are as follows:

Priority 1: Increase the supply of private housing

Priority 2: Support residents to access affordable, well managed private rented homes

Priority 3: Improve the condition of private housing through regulation through our licencing scheme.

Priority 4: Develop strong partnerships to support the private housing sector

These aims are complimentary to the Homelessness Reduction Strategy

4.3 The London Housing Strategy

One of the seven key aims of the draft London Housing Strategy produced in September 2017 is to prevent and address homelessness and the council's homelessness Reduction Strategy is clearly consistent with focus on prevention.

We will participate in the government funded pan – London accommodation procurement scheme funded by the government and supported by GLA. The scheme will provide an opportunity to transfer leased accommodation to Assured Shorthold Tenancies to enable us to discharge a homelessness duty and rationalise use of TA stock across London.

The London Housing Strategy also highlights the importance of preventing and addressing homelessness caused by violence against women and girls, helping homeless veterans and supporting rough sleepers off the streets. Our work with these groups is set out in section 3.7.

4.4 The Tenancy Management Strategy

Our strategy states that if the tenant moves to a private rented property, the new tenancy should be for a minimum of 12 months to provide stability to the household and minimise the risk of future homelessness. Our aim is to provide 12 month assured shorthold tenancies (ASTs) wherever possible.

Appendix 1 - Targets and Timescales

Key Objectives	Targets	Performance measures	Timescales
1. Continue to make prevention central to our approach to homelessness and embrace the new legislation, by working with households at the earliest possible opportunity and minimising the number of placements into temporary accommodation through effective prevention.	We will reduce placements as a percentage of the number of approaches by 5% Prepare service for the new legislation.	Number of cases prevented Percentage of initial approaches going into TA Performance against the Homelessness Reduction Act project plan.	From 2018/19 onwards
2..Prevent capped cases in the private sector becoming homeless by assisting them into work or helping them to find alternative more affordable accommodation.	We will ensure that less than 100 capped cases from the private sector go into temporary accommodation.	No of PRS capped cases (baseline position) going into TA Number of uncapped cases by intervention type.	2018/19 & 2019/20
3.End the use of B&B for families for whom a full homelessness duty has been accepted by expanding our hostel and property portfolio and supporting households to ensure that their future accommodation is sustainable	Reduce the number of accepted families in B&B without an established exit route to nil by September 2018.	Number of accepted families In shared B&B.	50% reduction by March 2018. Reduced to nil September 2018
4. Minimise future financial risk by balancing the moves into Temporary accommodation with a greater number of moves out in order to achieve a reduction in numbers over time	Maintain placements into TA at >68 a month on average Move an equal number or more out of TA each month	Numbers in leased TA Initial moves into and out of TA each month. Average cost of TA by Type.	On-going for four years.
5. Develop a new supply of in-house managed, affordable private sector accommodation held as Assured Short-hold Tenancies to enable the council to cease a homelessness duty	Develop scheme by April 2018 Acquire 200 properties each year for the next two years.	Performance against project plan Number of leased units acquired each month	100 - 2018/19 100 - 2019/20 100 - 2020/21 100 – 2021/22

Key Objectives	Targets	Performance measures	Timescales
6. Continue to address the cost and quality of long term temporary accommodation by moving households out of expensive TA and acquiring cost effective alternatives.	TA cost reduction team to achieve cost avoidance of £2m per annum over the next three years from capped cases and reduced HB subsidy shortfall.	Successful outcome Cases cancelled through occupancy checks Number of capped cases in TA against baseline position HB subsidy shortfall minus management fees. .	Savings of £2m per annum cost avoidance over the next 4 years.
7. Improve our offer to single homeless people facilitating supported pathways for single people with specific needs through improved cross council working and the acquisition of shared housing.	Scheme to be developed By April 2018.	Number of facilities/ units facilitated Number of Personal Housing Plan developed Successful Outcomes.	2018/19 and beyond.

