

Hinckley and Bosworth Borough Council Scrutiny Housing Review

Discussion and Scoping paper - Homelessness and Housing pressures at a local level

Scope

At the Scrutiny workplan workshop housing was raised as an area of interest for further work. This discussion paper provides Scrutiny with an overview of some of the local housing pressures facing Hinckley and Bosworth Borough Council as it endeavours to support its residents in response to homelessness and wider housing needs.

National Context

There has been much media coverage regarding the housing difficulties that many people across the country are facing and the difficulties local authorities are facing in supporting their residents with their housing issues. The national housing crisis is driven by several factors which include:

- Demographic change, including immigration schemes.
- A lack of affordable housing
- Failure to build new homes.
- The impossibility of homeownership for many
- The rise in no fault evictions (Section 21 notices)
- The cost of living crisis.
- The complex needs of many people which are unsupported, and which result in people struggling to access accommodation.

Crisis research published in March 2022 suggested that families on the breadline are facing an average £372 deficit between their Local Housing Allowance and the cost of the cheapest rents in their local areas. The cost-of-living crisis combined with existing issues such as rising rents, low wages and a lack of affordable housing has created increased pressure for people and families who were already struggling. Consequently, many local authorities continue to see an increased and sustained homelessness pressure, and the subsequent demand and associated expenditure for temporary accommodation to prevent and relieve homelessness.

Following an emergency Homelessness Summit in October, attended by over 158 Councils including officers from Hinckley and Bosworth Borough Council, the District Council's Network issued an open letter to the Government (Appendix A) about the unprecedented crisis many councils are facing due to the pressure on temporary accommodation services.

The letter called for government to prioritise the following:

- Raise Local Housing Allowance rates to a level that will cover at least 30% of local market rent and commit to annual uprating. This uplift was announced in the Autumn statement.
- Provide £100m additional funding for Discretionary Housing Payments in 2023-24 and an additional £200m in 2024-25.
- Provide a £150m top-up to the Homelessness Prevention Grant for 2024-25.
- Review the cap for housing benefit subsidy rate for local authority homelessness placements.
- Develop policy to stimulate retention and supply in the privately rented sector.
- Give councils the long-term funding, flexibility and certainty needed to increase the supply of social housing.

These national pressures are recognised by this council and are issues faced by our residents and by officers who work in the housing service. Unfortunately, without some if not all these measures being progressed, the council will continue to experience rising and sustained expenditure in relation to the provision of TA, due to ongoing homelessness need. In addition, the supply of social and affordable housing, to meet wider housing needs, will continue to be reduced as the council has limited opportunity to discharge its main homelessness duty outside of its own stock, or via Registered Providers, due to the lack of available and affordable private sector accommodation.

Whilst the council strives to extend its housing portfolio through acquisition and development, it is unable to meet current housing need. The council also loses approximately 26 properties per year through the right to buy which further depletes existing housing supply.

Some of these issues will be explored in more depth in the rest of the paper.

Homelessness demand within the borough

The Council has a statutory duty to help certain eligible categories of homeless people who are threatened with or who are actually homeless. These are people who:

- Are eligible for assistance.
- In priority need
- Not intentionally homeless

Part 7 of the Housing Act 1996 is the primary legislation for homelessness and provides the statutory basis for action to prevent homelessness and assistance to people who are threatened with or who are actually homeless. The Homeless

Reduction Act 2017 introduced new duties and comprehensive reform of the way in which homelessness preventions were actioned and recorded. It placed additional burdens on local authorities and included the following new provisions:

- Duty to prevent and relieve homelessness
- An extended period a household is threatened with homelessness from 28 days to 56 days.
- A longer period to provide temporary accommodation for - new requirement to support people with temporary accommodation for up to 56 days to relieve their homelessness.
- Requirement to carry out an assessment and personalised housing plan.
- Public bodies now have a duty to refer people whom they know are threatened with homelessness
- Applicants have the right to ask for a review of any points of the new legislation

More information on the homeless duties placed on local authorities can be found here:

https://england.shelter.org.uk/professional_resources/legal/homelessness_applications/local_authority_homelessness_duties

The introduction of the Homeless Reduction Act increased the workload for officers and this increase in workload was driven further by the Covid 19 pandemic which placed additional responsibilities on local authorities to accommodate all homeless people.

The increase in the number of homelessness approaches and subsequent temporary accommodation requirements has continued since Covid.

Table 1 shows the number of homelessness approaches, each year, over the last 4 years.

Table 1- Number of homelessness approaches per year including monthly average

	April 20- March 21	April 21- March 22	April 22- March 23	April 23- to date

Number of approaches for assistance	605 (50)	1,003 (83)	1,168 (97)	716 (102)
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Temporary Accommodation requirements within the borough

Table 2 shows the number of households in temporary accommodation over the last 4 years. Whilst over the last 4 years the number of single persons requiring temporary accommodation have remained relatively the same, there has been a significant rise in the number of families requiring temporary accommodation. These figures are in addition to the number of households in the council's hostel provision which is also detailed.

The council operates a family hostel, Iliffe House, but accommodation requirements for families now exceed those that the hostel can provide, and B&B accommodation is increasingly required to meet current demand. There is currently a 266% additional need for family accommodation beyond our hostel provision.

Table 2- Number of households in temporary accommodation

Year	Number of families in B&B	Number of singles in B&B	Total cases in B&B	Numbers in hostel
2020/2021	24 (12.12%)	174 (87.88%)	198 (Covid)	49
2021/2022	26 (13.20%)	171 (86.80%)	197 (Covid)	64
2022/2023	64 (30.77%)	144 (69.23%)	208	54
2023- to date	88 (43.14%)	116 (56.86%)	204	56

Table 3 outlines the main reasons for people approaching the housing options team. Notably, since 19/20 there has been a 110% increase in people reporting the issue of a Section 21 Notice as their reason for homelessness and a 287% increase in people reporting domestic abuse as their reason for homelessness.

Table 3-Reasons for homelessness

Top 5 reasons for homelessness	April 19- March 20	April 20- March 21	April 21- March 22	April 22 – March 23

Asked to leave by family	121	243	189	218
Relationship breakdown	48	131	95	80
Section 21 notice	81	71	111	170
Fleeing domestic abuse	32	83	101	124
Sofa surfing	68	71	35	56

Table 4 The number of homeless households that have been rehoused are as follows (under prevention, relief and main duty) :

Apr 19 – Mar 20	Apr 20 – Mar 21	Apr 21 – Mar 22	Apr 22 - Mar 23
218	213	265	307a

Appendix B provides an overview of the housing pathway accessed by all homelessness customers. Council and registered provider accommodation are the main avenues for people where a main housing duty is owed, Private sector accommodation is more readily accessed during prevent and relief duties.

The council is able to discharge its homelessness responsibility by allocating to accommodation within its own housing stock, but given the increase in housing demand more generally, it is increasingly evident that this can only compromise the ability for other types of home seekers, particularly those in lower housing priority classifications to secure social or affordable accommodation within the borough.

Alleviating Homelessness- The role of the private rented sector

Local authorities have the discretion to meet their homelessness duties through the private sector. The council has worked hard to form links with private landlords and to offer good quality private rented properties to people where this would be a suitable solution for a homeless applicant. However, the private rented sector in the borough is not large and is primarily located in the urban settlements.

Finding affordable accommodation in the private sector is increasingly challenging. Many landlords within the private sector were adversely affected during the pandemic as the government imposed a moratorium over evictions for several months. This created financial issues for many and landlords within Hinckley and Bosworth were no exception. Decarbonisation requirements and other regulations

that will require financial investment, along with changes to buy to let mortgages and interest rates have also led to some landlords leaving the sector. Consequently there is less private sector rental accommodation available, increasing overall housing demand and limiting choice for residents. At the same time the lack of alternative affordable housing options means that more people are looking for private rented properties. Anecdotal information suggests that private sector renters are in fierce competition with as many as 20 renters at any one time trying to secure a single property.

The end of a private rented sector tenancy is a leading trigger for homelessness applications. There is also a growing reluctance from some landlords to take applicants with a poor credit history or a history of anti-social behaviour and even with financial incentives, some applicants are still refused.

In collaboration with wider stakeholders, the Homelessness and Rough Sleeper Strategy 2022 (appendix C) prioritised workstreams to strengthen pathways within the private sector. As such, the council has reviewed its offer to private sector landlords and is able to offer financial and supportive incentives for the first 6 months of a private sector tenancy.

The council operates a homelessness prevention policy which details the financial offers available to landlords and the support available to private sector tenants (Appendix D). Further work with letting agents has recently commenced to maximise pathways to support people into the private sector, and this is an area of work the council is keen to continue.

Wider Housing Demand

Affordable Housing need

Housing need is evidenced by the numbers on the Council’s housing register for Rented housing. There are currently 1042 live applications on the council housing register. However, this is not a full picture of need within the Borough as many people don’t apply to the council for housing as they know they are unlikely to receive an offer of accommodation. The fact that there is an increase in homelessness is an indication of unmet need, and the recorded figures don’t reflect “hidden” homelessness i.e. people who are living in insecure accommodation, often sofa surfing.

The breakdown for property sizes and priority classification on the Council’s Housing Register are as follows:

Table 5- Housing need per property sizes and priority classification

Priority	Bedroom sizes				
	1 bed	2 bed	3 bed	4 or more beds	Total
Critical	24	24	21	4	73

Priority	54	20	19	11	104
High	24	14	17	5	60
Medium	162	38	16	10	226
Low	296	176	83	24	579
Total	560	272	156	54	1042

As noted above, we are aware that many people do not make their housing need known to the council. When there is a possibility of a rural exception site being developed in the rural settlements, a local housing need survey is carried out to contact every household to try to evidence hidden need for people with a local connection.

Future demand for affordable and specialist housing is set out in the Local Plan. It is modelled in evidence bases such as the Leicester and Leicestershire Housing and Economic Needs Assessment and the Hinckley and Bosworth Housing Needs Study. These documents use demographic information to indicate the numbers and type of housing we will need to provide for the Local Plan period.

Challenges to meeting demand

Some of the local and national challenges to meeting the demand for affordable housing are outlined below.

- High demand for one bed roomed property which outstrips supply. Whilst turnover of stock is always higher on one bed roomed accommodation, RPs are reluctant to accept sites with high levels of one bedroom accommodation. Usually, 10% on smaller sites and 15% on large sites is the maximum they wish to accept. In order to try to overcome some of the historical perception of management problems the preference is strongly for 1 bed on new developments to be designed as quarter houses or flats without communal areas.
- Rising costs mean specialist accommodation, such as supported accommodation for particular needs or hostel accommodation, is increasingly difficult to deliver.
- To make sites viable, RPs need to charge affordable rent and rent levels are starting to exceed Local Housing Allowance rates (although the recent announcement on the uplift of LHA rates should help). This excludes some people from being able to access some properties. However, Government has acknowledged these issues and Homes England will now give grant for social rented properties, which should help viability which was affected by lower rental incomes.
- Right to buy - Council stock levels continue to be impacted by the right to buy.

Table 6-The number of right to buy sales over the last 5 years

April 18- March 19	April 19 – March 20	April 20 – March 21	April 21 – March 22	April 22 – March 23
26	32	19	24	28

Affordable housing supply

The council currently owns 3203 homes. There is demand for all housing types but pressures are particularly great on 1 bedroomed flats and 2 and 3 bedroomed houses. The council also has nomination agreements to rented housing owned by Registered Providers (RPs).

The following table shows the number of council housing and registered provider vacancies advertised over the last 4 years. This includes new properties and relets.

Table 7- Number of vacancies over the last 4 years

Bedroom size	2020	2021	2022	2023	Total
Bedsits	9	14	11	18	52
1 bed	105	109	138	117	469
2 beds	129	123	182	152	586
3 beds	53	43	70	57	223
4 beds	1	5	13	9	28
Total	297	294	414	353	1358

New affordable housing

Delivery of new affordable housing is presented in an annual report to Scrutiny where it compares delivery against the Local Plan target. For the, period from 1 April 2022 to 30 September 2023, 350 new affordable homes were completed, 214 for affordable rent and 136 for affordable home ownership.

Delivery of new affordable housing for rent continues to be focussed on affordable rent products, despite Homes England opening the Affordable Homes Programme to social rented properties. This is because viability is better on sites where a higher rent is charged. However, rising rents means that affordable rents rise in line with market rent and in some cases are starting to exceed the Local Housing Allowance rates. Affordable rents can in theory be set at less than 80% of market rent, but this does not seem to be working in practice at the moment.

Council house acquisition / new build

The Council's HRA Investment Plan is currently being refreshed, which will identify the priorities for the council house service between areas such as investment in current stock, decarbonisation and regeneration, development and acquisition.

The council has had a programme of regeneration, new build and acquisition in recent years, within the constraints of the Housing Revenue Account. The number of new council housing delivered through development and acquisitions is set out in the table below:

Financial Year	Development	Acquisitions	Total
2017/18	30	6	36
2018/19	9		9
2019/20			0
2020/21	11		11
2021/22	24	12	36
2022/23	3	7	10
2023 to date		6	6
Total	77	31	108

The last new properties the council built were 3 bungalows on land attached to the Ambion Court sheltered scheme, which were completed in 2022. The priority going forward is regeneration of the area at Peggs Close Earl Shilton, a complex that has been blighted by anti-social behaviour and crime for many years. If redeveloped, the scheme could realise up to 24 dwellings.

Latest acquisitions are 13 houses at Hollycroft Grange, 6 of which have now been completed and 6 houses at Brookside Road in Burbage. On both of these schemes the council is acquiring the section 106 planning gain properties as no RP could be found to acquire the properties. The council does not compete with RPs for section 106 properties and only gets involved in high demand areas when other solutions have failed.

Challenges for new housing supply.

- Viability issues. Costs of development are rising, and it is common for developers to request a reduction in section 106 contributions to allow the site to be viable. HBBC has site viability independently assessed and robustly investigates the best outcome for affordable housing based on changes to tenure or mix of properties to maximise delivery.
- RP interest. Most RPs active in the Borough are partners with Homes England and are currently concentrating on their own development programmes. This means that interest in section 106 dwellings is very low and we are increasingly being contacted by developers who cannot get an RP partner interested in their sites. Where RPs are looking at section 106 delivery, they are concentrating on sites which deliver larger numbers of units, and settlements where they already have stock.

- Rural affordable housing. Given the points above, rural affordable housing is adversely affected by current housing conditions. Calls for sites for delivery of a rural exception site have yielded no results, as landowners increasingly need / desire to obtain market values for their land.
- The council's aspiration to increase the numbers of council housing is challenged by other demands on the HRA and the limited available finance we have within the Business Plan, including ensuring the current stock is of good quality and the need to regenerate low performing stock to make best use of what we currently have.
- Homes England funding is difficult to obtain by the council for our developments due to various constraints, including the fact grant can't be used with other funding such as RTB receipts.

Resettlement schemes

In addition to the housing demand detailed above there is expectation that the council will support resettlement schemes. We are currently being consulted on our capacity to support people coming into the country through safe and legal routes and there is the ongoing issue of illegal asylum seekers and accommodation. Serco are actively trying to secure accommodation in the area, which further distorts the local housing market. To date they have not secured any accommodation that officers are aware of.

The council has previously supported 6 families through the Syrian Refugees programme into the Borough and following the invasion of Afghanistan by the Taliban in 2021 local authorities are required to support two schemes to help make private rental accommodation available to families and individuals who have fled Afghanistan.

- Afghan Citizens Resettlement Scheme (ACRS)
- Afghan Relocations and Assistance Policy (ARAP)

To date the council has yet to support any persons via these two schemes due to lack of available, suitable accommodation.

In response to the war in Ukraine and implementation of the two UK resettlement schemes, Homes for Ukraine and the Family Visa Scheme the Council has been instrumental in providing direct support and assistance to both sponsors and their guests in relation to the Homes for Ukraine scheme. The scheme launched on the 18 March 2022 and encourages sponsors to provide accommodation for their guests for at least 6 months, with the ability to extend the scheme in return for monthly thank you payments. The scheme has now been operating for 20 months and has supported 240 Ukrainians in our borough. Whilst the sponsorship scheme continues supporting Ukrainians into settled accommodation is an ongoing workstream for the council.

Table 8 Number of Ukrainians supported with settled accommodation and pathway

Year	Private sector offer	Local authority offer	RP offer	Rematch
2022	8	2	0	0
2023	3	3	4	2

Conclusion

This paper provides a high-level overview of some of the challenges faced by our residents and officers. The demand for affordable housing in Hinckley and Bosworth Borough is high and is likely to continue to grow in the years to come. The council is facing a number of challenges in meeting this demand, including:

- A lack of affordable housing supply
- Rising costs of development
- Changes to the private rented sector
- Increasing demand for one-bedroomed properties
- The impact of the right to buy.
- The limitations of the Housing Revenue Account to allow acquisition/new build of new council housing.

The council has taken steps to address these challenges, including:

- Reviewing its offer to private sector landlords
- Working with Registered Providers to deliver new affordable housing.
- Maximising the use of right to buy receipts.

However, more needs to be done to ensure that everyone in the borough has access to safe and affordable housing. The council needs to continue to work with its partners to develop new solutions to the housing crisis.

Areas that the Scrutiny Commission may want to explore further include:

- Understanding the pathways that people use to access housing and the barriers - this could uncover some of the unknown/unmet lower need.

- Develop a Strategy to increase the availability of private rented accommodation - carry out further work to understand the private rented sector in Hinckley and Bosworth Borough, including the number of private rented properties, rent levels, demand, and the issues faced by private landlords.
- Lobby government to for more funding for affordable housing, in particular making it easier for councils to increase their own housing stock.