



OVERVIEW AND SCRUTINY SUB-COMMITTEE

Subject Heading:

Cost of living crisis the aftermath of COVID 19 and the impact on housing demand

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Policy context:

Cost of living crisis, the aftermath of COVID 19 and the impact on Housing Demand

SUMMARY

Cost of living crisis the aftermath of COVID 19 and the impact on housing demand

In previous briefings we identified the impact COVID 19 had on homelessness demand. We highlighted that average homelessness approaches moved from less than 150 a month in 2020 to 290 per month for the next two years.

We illustrated that this had inflated expenditure in our Find-Your-Own (FYO) rent deposit scheme, where our highest spend at that time reached £118,000 in a single month with an average of 40 households securing accommodation in the private rented sector.

We secured membership to Capital Letters in 2020, who in their first year with us exceeded their targets by securing approx. 80 properties in the first year when the target was 50. We advised that we envisaged a continuation of this high level of homelessness approaches for the foreseeable future and that this could lead to additional cost pressures in temporary accommodation and risk to the current rate of homelessness prevention.

We also reiterated the risk of using bed and breakfast hotels for people previously sleeping on the streets and where, during COVID 19 pandemic, there was acute focus to support those single people under the government's "Everyone In" initiative. Additionally we foresaw that the lifting of court evictions would lead to increased strain on the supply of temporary accommodation meaning there was increasing risk to the use of hotels for families and their children.

It was outlined then that it was imperative we continue to develop the service and provide as many pathways to appropriate and suitable accommodation as possible.

1. We planned to do this through increasing our Private Sector Lease supply to stem the outflow of properties handed back to the landlord. This meant improving our lease and property maintenance terms, reviewing the rents and providing better quality accommodation for our residents.
2. We also sought Cabinet sign off to purchase 125 properties through Mercury Land Holdings (MLH) as well as bolster the number of properties we sourced in the private rented market.
3. We also introduced 35 units of high complex needs accommodation for people who were sleeping on the streets, released from prison or hospital and had mental health, drug and alcohol as well as other combined complex needs preventing high cost interventions from acute services such as A&E.

War in Ukraine and the impact deepens

What we didn't anticipate however, was Russia's invasion of Ukraine and the devastating impact it has had on Ukrainian families who had fled their homes seeking refuge in the United Kingdom.

We did not see the impact the macro-economic forces would cause with record inflation and rising interest rates since the 1980s hitting London badly meaning:

- Tenants rents are unaffordable
- Landlords are exiting the market
- The private rented sector market is drying up

Afghan Relocation Assistance Programme (ARAP) and Homes 4 Ukraine Scheme (H4UK)

With the backdrop of the Home Office exhausting hotel use across London to accommodate Afghan refugees and other asylum seekers they sort to meet the needs of Ukrainian Refugees with alternative accommodation vehicles.

To date Havering Council have pledged to support 8 Afghan families accommodating five. We have yet to declare any further support until it is clear what the proposal for the fair share distribution plans look like across London for Afghan refugees currently held in hotels and dispersal accommodation.

Homes4Ukraine Havering however, have facilitated the support for 319 fleeing guests through the sponsorship and family visa programme and have since collaborated with other local authorities sharing valuable insights and service infrastructure. However, the pressure is continuing to mount with sponsorships coming to the end of its 6 month plan and relationship breakdowns increasingly prevalent in the family visa scheme.

As a result of the scheme the people of Havering have responded admirably to the humanitarian effort and alleviated some of the pressure to secure housing for

refugees in the interim, however, our inability to move households on into longer term housing will have lasting consequences for children settling into the area. It is anticipated that many host will ask their HfU guests to leave at the end of the initial six months of their commitment which will put additional pressure on homelessness services as we will have a statutory duty to accommodate.

Impact on our MLH Scheme and private rented market

Rising inflation and interest rates have damaged the viability of our MLH scheme and we can no longer deliver the 125 units we proposed.

Find your Own

The private rented sector has also taken a dramatic turn with the Council no longer able to deliver the 40 units of accommodation it was securing each month. This number has fallen drastically with landlords asking for premium rents, deposits, rent advances and additional incentive payments.

We have not been able to secure private rented accommodation at the previous rates of 40 properties a month through the Find Your Own scheme with this has fallen by almost 60% with expenditure fallen from an all-time high of £118k per month to as low as £26k. This illustrates the challenges in the market to secure available private rented properties.

RECOMMENDATIONS

- To inform the overview and scrutiny committee of the significant pressures on Housing and its accommodation resources
- To inform of the wider implications of housing and the impact on children's and families.

REPORT DETAIL

Main causes of homelessness

The service is fighting to effectively address homelessness by supporting households to remain in their accommodation as long as possible right up until bailiff warrants are issued. We understand this causes particular distress to families; the alternatives, however, do not make good reading.

Family and friend exclusions remains the main cause of homelessness in Havering, and in this climate it is vital we get the message out that support is required from our extended families to preserve and keep their loved ones at home as much as is possible as the impact of children living in emergency hotel accommodation where we do not see immediate move on arising in the near future.

As the private rented market is drying up landlords no longer want to support benefit dependent households unless offered exorbitant fees. Other costs pressures on landlords i.e. inflation, interest rates and tax implications mean they are expected to sell their properties.

The table below illustrates the number of homeless approaches pre-pandemic to now. Havering Council has seen a 40% increase over the last two years in the number of households who require emergency accommodation. We have also seen significant increase on domestic abuse approaches to the service which illustrates the pressure to place into emergency accommodation.

Dates	Homeless Approaches	Dates	Homeless Approaches	Dates	Homeless Approaches	Dates	Homeless Approaches
Apr-19	155	Apr-20	114	Apr-21	235	Apr-22	261
May-19	186	May-20	141	May-21	268	May-22	294
Jun-19	160	Jun-20	165	Jun-21	315	Jun-22	237
Jul-19	195	Jul-20	166	Jul-21	246	Jul-22	280
Aug-19	177	Aug-20	228	Aug-21	275	Aug-22	319
Sep-19	165	Sep-20	269	Sep-21	302	Sep-22	
Oct-19	187	Oct-20	236	Oct-21	262	Oct-22	
Nov-19	174	Nov-20	256	Nov-21	280	Nov-22	
Dec-19	111	Dec-20	175	Dec-21	169	Dec-22	
Jan-20	233	Jan-21	239	Jan-22	258	Jan-23	
Feb-20	160	Feb-21	258	Feb-22	250	Feb-23	
Mar-20	129	Mar-21	292	Mar-22	282	Mar-23	
	2032		2539		3142		1391

Domestic Abuse in Havering

The number of domestic abuse cases in Havering continues to increase where households fleeing violence and abuse are likely to be placed in emergency hotels.

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
2019/20	7	5	7	7	5	7	12	9	2	7	4	5	77
2020/21	8	12	9	12	29	19	24	29	15	22	18	29	226
2021/22	22	24	26	19	31	28	18	25	12	18	13	18	254
2022/23	25	30	20	13	36								124*

Number of households placed in Bed & Breakfast hotels Apr 22 to Aug 22

	Numbers	Ukraine (Both)	Council Tenant/PSL/ Children's (Both)	Totals

Family	49	9	4	62
Single	29	0	1	30
Total	78	9	5	92
Total spend for hotels for families and singles to date				£276k

Properties secured in the private rented market through Find Your Own

	Apr 22	May 22	Jun 22	July 22	Projections for year end	Previous Year
Find your Own	19 ↑	10 ↓	12 ↑	16 ↑	135	222
Find your own expenditure	£54,121 ↓	£26,024 ↑	£30,001 ↓	£47,384 ↓	£365,976	£538,140
Capital Letters	5	4	0	2	28.5	83

Children's Services and Housing Protocol

The Joint Housing and Children's Services Protocol has been in place since June 2021 and has significantly reduced the number of families approaching services on the day of eviction. By working jointly we have been able to assess and accommodate families where required under housing and/or children services.

However, September 2022 has seen a significant increase in families approaching Havering in urgent need of accommodation for various reasons which has meant that the pre-notification allowing a 25-56 day joint assessment has not been possible. Due to the increasing demand the services now are putting in place an emergency approach.

Many of the challenges have been in relation Havering and other boroughs being in dispute about fulfilling their respective statutory obligations. More recently we have had neighbouring boroughs evicting households for significant rent arrears and/or advising s193 tenants to withdraw their applications to approach Havering.

Families have attended the Town Hall where there are no available housing services asking for assistance. With Children's Services present at the Town Hall the immediate assumption is they will be responsible for rehousing the family when this is not the case. The need for communication between Housing and Children's over where the responsibility lies is heightened with very little time to fully ascertain the circumstances of the presentation. This should be helped when both services are available through the appointment centre from October 2022.

This places additional pressure on the out of hour's service and education services who want to ensure the child's welfare is safeguarded for school the next day.

The core challenge is insufficient supply of appropriate housing in the borough.

Number of Children's services referrals from Housing in the last 3 months.

Date	04-Jul	11-Jul	18-Jul	25-Jul	01-Aug	08-Aug	15-Aug	22-Aug	29-Aug	05-Sep	12-Sep	19-Sep
Number of referrals to Children's Services	0	0	0	3	2	0	1	2	3	2	24	5

IMPLICATIONS AND RISKS

Financial implications and risks:

Risks to the general fund budget have already been forecasted however, deepening cost of living crisis and growing need to provide emergency accommodation for families with children does present great risk with the incoming winter pressure and energy crisis. Local Authorities are lobbying for change to current Local Housing Allowance Rates and existing benefit caps which are impeding our ability to secure properties in the open private rented market.

Homeless Prevention Grant (HPG) formerly the Flexible Homeless Support Grant (FHSG) is likely to be reduced by between 8% and 26% for Havering.

Legal implications and risks:

Families facing eviction and requiring emergency accommodation are likely to be placed in hotels for longer than the statutory 6 week time frame. This presents a risk both legally and financially.

Challenges from local solicitors judicially reviewing the local authority's ability to meet need and to provide temporary accommodation is also likely to rise.

When housing demand are discharging their duties towards families who are found intentionally homeless we will see a rise in children services interventions.

Human Resources implications and risks:

The recommendations made in this report do not give rise to any identifiable HR risks or implications that would affect either the Council or its workforce. It should be noted however that the strain on staff in both Housing and Children's Services

in dealing with homeless families in emergency situations is intense and will have an impact in the long term.

Equalities implications and risks:

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have 'due regard' to:

- (i) The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) The need to advance equality of opportunity between persons who share protected characteristics¹ and those who do not, and;
- (iii) Foster good relations between those who have protected characteristics and those who do not.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce.

In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants

Equalities Health and Wellbeing implications and Risks

It is anticipated that the cost of living crisis will impact general health and wellbeing benefits for directly affected residents. The impact of homelessness on both adults and children is significant.

ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS

The recommendations made in this report do not give rise to any identifiable Climate Change risks or implications that would affect either the Council or residents.

BACKGROUND PAPERS

¹ 'Protected characteristics' are age, disability, gender reassignment, marriage and civil partnerships, pregnancy and maternity, race, religion or belief, sex/gender, and sexual orientation.