

REPORT TO: POLICY COMMITTEE ON 5 MARCH 2008

**SUBJECT: EXPANSION OF HOMELESSNESS PRIORITY NEED -
APPROACH TO 2012**

BY: DIRECTOR OF COMMUNITY SERVICES

1. REASON FOR REPORT

- 1.1 This report seeks to inform Policy Committee of the considerations made in evaluating the options to meet the Scottish Government's target for the abolition of priority need in 2012 and the interim target of reducing non-priority need assessments by 50% by 2009.
- 1.2 This report is submitted to the Committee in terms of Section A (64) & (65) of the Council's Scheme of Administration relating to homelessness.

2. RECOMMENDATION

2.1 It is recommended that the Policy Committee:-

- (i) notes the findings of the Homelessness Modelling Exercise undertaken by Arneil Johnston, Consultants and the assumptions used to develop the model;**
- (ii) notes the implications of any potential changes to the homelessness criteria on the requirements for temporary and permanent accommodation;**
- (iii) agrees that any proposed expansion of priority need is considered following the current review of the Allocations Policy;**
- (iv) notes that a further report will be presented to the Committee on actions proposed for the development of a Temporary Accommodation Strategy; and**
- (v) notes that a further report will be submitted to Policy Committee in October 2008 on proposals to achieve the 2009 target and 2012 objective.**

3. BACKGROUND

- 3.1 Tackling homelessness remains a priority for the Scottish Government. One of the key recommendations of the Homelessness Task Force's final report, "Helping Homeless People – An Action Plan for Prevention and Effective Response" published in February 2002, was that a target of 2012 for the abolition of priority need should be adopted.
- 3.2 A report to the Community Services Committee on 5 October 2005 approved the Council's response to the Consultation Paper on the abolition of priority need issued by the then Scottish Executive (paragraph 4 of the Minute refers). That response acknowledged that the aspiration to abolish priority need was widely welcomed by housing providers and agencies etc. but that it was vital that resources were available to enable local authorities to meet it.
- 3.3 The results of the consultation were considered in a Ministerial Statement in December 2005 which addressed the progress local authorities were making in achieving 2012. The statement set an interim target of 2009 for the reduction of non-priority assessments by 50%, using the number of homelessness approaches to local authorities in 2003/04 as the baseline year for the calculation of achieving the target.
- 3.4 The Ministerial Statement in December 2005 did not, however, set out how the 2009 target should be achieved. Each local authority must define its own categories when extending the priority need definitions to achieve 2009, having regard to their local circumstances.

4. HOMELESSNESS MODELLING

- 4.1 In August 2007, the Council commissioned Arneil Johnston, Consultants, to develop a comprehensive model to assess the impact of implementing the homelessness legislative agenda, including the impact of the 2009 and 2012 targets on the current and projected supply of social housing in the Moray area. A copy of the full report is available in the Members' library.
- 4.2 The modelling work is particularly detailed and complex. It involves a number of key assumptions being made which influence the outcomes from the modelling work. The assumptions used have been discussed with officers in the Housing Service and the Homelessness Strategy Group partners.
- 4.3 The key findings of the modelling work indicate that, on the assumptions made within the modelling, there is currently an acute shortfall of social tenancies required to accommodate homeless households. In cumulative terms, between 2007/08 and 2011/12, a shortfall of around 840 tenancies will be evident across Moray. The shortfall is most evident in 1 bedroom properties. In terms of locality, the model projects shortfalls in all areas, with the exception of the Cairngorm Park Area. The shortfalls are most acute in the Elgin and Forres Rural areas.

- 4.4 Members should note that the Moray Housing Needs and Market Study carried out in 2006/07 and reported to Policy Committee on 13 June 2007 concluded that, based on an analysis of housing market trends within the private sector, the private rented sector and the social rented sector, for the next five years there will be an undersupply of 219 affordable units per year (paragraph 29 of the Minute refers).
- 4.5 Although the Housing Needs and Market Study and the Homelessness Modelling exercise have used different methodologies, both have identified considerable shortfalls in the availability of accommodation to meet the permanent housing requirements of homeless applicants.

5. APPROACHES TO THE 2009 INTERIM TARGET

- 5.1 In Moray during 2003/04, 629 households presented as homeless. Of these, 379 households were accepted as being unintentionally homeless. Of the 379 homeless households, 238 (63%) were assessed as being in priority need. The number assessed as non-priority homeless was 141 (37%).
- 5.2 This therefore means that to achieve the interim target of reducing the number of homeless non-priority assessments by 50% by 2009, Moray Council would have to accept 81.5 % of homeless households as being in priority need. Based on 2003/04 homelessness presentations, this would mean that an additional 70 households would have to be accepted as being in priority need. This will create additional pressures on temporary and permanent accommodation.
- 5.3 If the Moray Council is to achieve the level of additional priority need assessments required from the 2003/04 figures, then the Council could adopt the approach of expanding the age category for priority need from 16 to 17 year olds to include 18 to 24 year olds. The estimated number of additional priority need assessments that would arise from this expansion would be 64 applicants during 2008/2009. The Council would be required to provide the additional 64 households with temporary accommodation until they were allocated permanent accommodation. The accommodation required to address this need would be mainly one bedroom properties.
- 5.4 The majority of Councils in Scotland have now determined how they will approach the 2009 interim target for the abolition of priority need. Most local authorities have decided to increase priority need on an age based approach. However, there are a small number of local authorities - Edinburgh City, Argyll and Bute, and Perth and Kinross Councils - who have indicated that they cannot set a target at this time due to the level of homelessness presentations that they experience and the impact that any expansion of duty would have on resources and accommodation available to meet homelessness requirements.

- 5.5 More locally, Aberdeen City, Aberdeenshire and Highland Councils have already taken decisions as to how they will seek to achieve the targets set. Aberdeen City has agreed to assess applicants up to the age of 26 as priority need. From 2011, the Council intends to assess all intentionally homeless households as having a priority need. Aberdeenshire Council has agreed to bring 18 - 25 year old homeless applicants into the priority need category. The Highland Council has indicated that from April 2007, all persons aged 16 – 21 and all applicants under the age of 25 who have previously been 'looked after' by the local authority will be automatically assessed as being in priority need. From January 2008, it also intends to introduce changes to the 'vulnerable for other special reasons' category of applicant.

6. IMPLICATIONS OF THE 2009 INTERIM TARGET

Permanent housing

- 6.1 Any increase in the number of homeless households accepted as in priority need will place further pressures on the availability of permanent housing to discharge the Council's duty under homelessness legislation. In 2006/07, approximately 44% of all Council allocations and 58% of nominations to Registered Social Landlords have been to applicants with priority need in terms of homelessness.
- 6.2 The pressure on permanent housing arising from homeless households is not uniform across Moray. There is a greater pressure being experienced in Elgin and Forres than elsewhere. During 2006/07, of the total allocations to homeless households across Moray, 42% and 16.5% were in Elgin and Forres respectively. The figures from 1 April 2007 to 4 February 2008 show a similar pattern with 43% and 12% of homeless allocations in Elgin and Forres respectively.

Temporary Accommodation Current Situation

- 6.3 There are currently a total of 57 homeless households in bed and breakfast accommodation. It is proving increasingly difficult to source additional bed and breakfast and temporary accommodation. If the categories of priority need were to be expanded at this time, it would add further additional pressures.
- 6.4 In September 2007, the Council commissioned Arneil Johnston, Consultants to develop a Temporary Accommodation Strategy. As part of the development of the Strategy, the consultants have made recommendations for the future requirements for temporary accommodation needed to meet the interim objective of 2009 and the abolition of priority need in 2012.
- 6.5 The consultants estimate that approximately 211 additional units of temporary accommodation are required over the next seven years. This will require increases of approximately 30 additional units annually.
- 6.6 The Council has increased the number of temporary accommodation units from 78 units of temporary accommodation in 2004 to 120 units in 2008.

Increases in the supply of temporary accommodation have been achieved by leasing properties from Registered Social Landlords (RSLs) and a contract with a private landlord. During 2008 an additional 13 units will also be achieved with properties being leased at St Andrews Court, Buckie (a new purpose-built project) delivered by an RSL. Consideration is also being given to retaining and refurbishing the hostel at Cluny Annexe, Buckie.

Private Sector

- 6.7 The Council will continue to work with the private sector to increase the provision of accommodation for homeless households. However, the private sector within Moray is a buoyant market with landlords having few difficulties in finding tenants. There is also an added difficulty in that the rents which are sought by landlords in the private rented sector are greater than the Housing Benefit levels which can be achieved by a prospective tenant.

Prevention of Homelessness

- 6.8 In a context of increasing pressure on temporary and permanent accommodation resources, the Council will continue to strengthen its preventative work as a key part of the Council's homelessness strategy.

7. PROPOSED ACTIONS

- 7.1 Officers consider that before the Council could effectively expand its definition of priority need to move towards the 2012 target, further work is required.
- 7.2 The most critical area is that of the review of the Allocations Policy. Inevitably, the acceptance of more households in priority need will place greater pressures on the availability of permanent accommodation to meet the Council's duty to permanently house these applicants. This will inevitably mean a greater percentage of allocations will have to be made to homeless households accepted in priority need.
- 7.3 This requires some further in depth analysis of the impact of this on the waiting list and transfer list, on allocations in each lettings areas and on homeless presentations i.e. are people applying as homeless because their needs are not being met as a general waiting list applicant.
- 7.4 It is currently projected that the Allocations Policy Review will be presented to the Committee in June 2008 for discussion.
- 7.5 Work from the consultants engaged to assist in the development of a Temporary Accommodation Strategy is awaited and will be considered in detail over the next few weeks. A further report on actions proposed will be presented to the Committee.
- 7.6 A further report to Policy Committee in October 2008 will consider recommendations for achieving the 2009 and 2012 objectives; but this can only be within a context of what is achievable and realistic given local circumstances.

8. SUMMARY OF IMPLICATIONS

(a) Corporate Development Plan/Community Plan/Service Improvement Plan

Tackling homelessness is a priority identified in the Moray Community Plan, the Council's Local Housing Strategy, the Moray Homelessness Strategy and Community Services Improvement Plan.

(b) Policy and Legal

Any future proposed changes will be reflected within the Homelessness Policy and implications considered in the Allocations Policy. The housing inspection regime includes an inspection of homelessness services provided by the Council. The regulator is likely to focus on outcomes for homeless people and the progress being made towards 2009 and 2012.

(c) Resources (Financial, Risks, Staffing and Property)

There may be resource issues arising from the contents of this report. The situation with regard to any proposed changes will be closely monitored and will be the subject of a future report to Policy Committee.

(d) Consultations

Consultations have taken place with the Director of Community Services, Chief Housing Officer, Housing Programmes Manager, Karen Wiles, Principal Solicitor, Deborah Brands, Principal Accountant, Senior Area Housing Manager and Housing Needs Manager, who agree with the contents of this report.

9. CONCLUSION

- 9.1 The report has asked the Policy Committee to note the findings of the Homelessness Modelling Exercise and also the implications that any changes to the homeless criteria would have on the supply of temporary and permanent accommodation. The Committee is asked to note that a further report on any proposed changes required to meet the interim target of reducing homeless non-priority assessments by 50% by 2009 will be presented in October 2008.**

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Background Papers: Held on file by June Shennan
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