

Committee: Cabinet

Date: 18 March 2024

Subject: Homelessness and housing needs – update and performance overview

Lead officer: Lucy Owen, Executive Director, Housing and Sustainable Development

Lead member: Andrew Judge, Cabinet Member for Housing and Sustainable development

Contact officer: Elliot Brunton, Head of Housing Needs and Strategy

Recommendations:

A. That Cabinet note the update contained in the report.

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. To provide an overview of the current situation in terms of homelessness and housing needs in the Borough.
- 1.2. To explain the rise in homelessness on a regional level and in Merton.
- 1.3. To set out the financial impact for the Council of this rise.
- 1.4. To provide an overview of how the housing needs team looks to prevent homelessness, and provide relief as required to homeless households.
- 1.5. To provide an overview of the mitigations in place, both short and long term to try to relieve some of the pressure on the service and provide both more temporary accommodation and long-term homes.
- 1.6. This report also provides a brief update on the empty homes scheme.

2 EXECUTIVE SUMMARY

- 2.1. This report provides an update on the current situation in terms of homelessness and housing needs in the Borough.
- 2.2. The update is set against a backdrop of increasing demand in the Borough, across London and across the UK.
- 2.3. Although Merton has historically, and continues to have, the lowest level of residents in temporary accommodation in London, our numbers have risen from 350 in March 2023 to 469 in December 2024.
- 2.4. These rises are mostly due to the following factors, which are explored in more detail in the body of the report:
 - Significant increases in private sector evictions under s21 Housing Act 1996.

- Increases in asylum seekers awarded refugee status being asked to leave home office accommodation, which has meant an increase in homeless applications.
 - Increases in the number of domestic abuse cases applying as homeless.
 - A drop in the number of private sector properties becoming available for rent.
- 2.5. The Council is putting in place a number of actions to try to mitigate these issues, and find sources of both temporary and long term accommodation. There is no one answer to the issue, and all options need to be looked at to find accommodation for residents at risk of homelessness.

3 INTRODUCTION

- 3.1. Homeless legislation has existed in varying forms since 1977 with a significant update occurring with the Homelessness Reduction Act 2017.
- 3.2. Where a resident makes a homeless application to the Council the law says that we must look into their circumstances to find out what type of help we can provide.
- 3.3. Firstly, we have to investigate:
- **If they are eligible for help.** This is a complex area of law and will be decided according to an individual's nationality, immigration status and residency. If someone is not eligible, we can only provide basic advice and assistance.
 - **Whether it is reasonable for a resident to return to their last address, or to continue living there.** We need to be sure that someone is actually homeless or threatened with homelessness. Someone is regarded as being statutorily threatened with homelessness if this is within 56 days.

If we are satisfied that a resident is eligible and homeless (or threatened with homelessness), we have a duty to work with them to draw up a '**Personal Housing Plan**', listing the steps both the Council and the resident can take to solve their identified needs.

- 3.4. However, we will have further duties to "priority need" homeless applicants Priority need is a legal term set out in the Act. To establish a "priority need" we will look at the following:
- Do they have dependent children, or are (or a household member) pregnant? and/ or
 - Are they vulnerable, for example because of age, mental health or disability? and/ or
 - Are they 16 or 17 years old or a care leaver under the age of 20 and / or
 - Have they lost your home because of an emergency such as a fire or flood?

- 3.5. If a resident is in a “priority need” group, have lost their home and they need temporary accommodation, we will provide this for them, while we work together on a solution.
- 3.6. Regardless of whether an applicant is in priority need, we will try and prevent homelessness for a 56-day period. This is called **the prevention duty**. If we fail to resolve their homelessness during this time and/or they become actually homeless, then we have a further 56 days to relieve their homelessness. This is called **the relief duty**.
- 3.7. If the relief duty is owed, we will also look at whether they have local connection with Merton Council, and this is defined in the law and is based either on residence, employment, or close family members living locally. We may refer a resident to another council for more help, if it is safe to do so & there is insufficient local connection with Merton.
- 3.8. If a resident does have a local connection with Merton, are in priority need and our work with them has failed to relieve their homelessness after 56 days, we will consider whether they have lost their home because of something they have deliberately done (or because of something they have failed to do). This relates to whether or not an applicant is regarded as being “intentionally homeless”. This is a very complex area of law, and every case will be considered on its individual merits. This will affect whether the Council owes a resident a long-term duty to make a final offer of accommodation.

4 PREVENTION AND RELIEF OF HOMELESSNESS

- 4.1. Under the Homelessness Reduction Act there are a number of specified circumstances where the prevention and relief duties come to an end. The Council records the reasons that the prevention and relief duties end against each separate homeless case.
- 4.2. If the duty ends due to the applicant being able to stay in their current home for 6 months, or because they have found alternative accommodation that is available for at least 6 months, this is recorded as either a positive prevention or relief outcome. It is the case that prevention and relief activities mean the individual’s housing crises are resolved far quicker than those cases who go beyond the 56-day duty. Prevention and relief activities have a cost benefit for the Council in that where this is achieved the Council does not have a long-term duty to provide temporary accommodation with the associated general fund costs.
- 4.3. When the Council devises a personalised housing plan it will set out what options and action will be taken to prevent and relieve homelessness. These are called **reasonable steps**.
- 4.4. The Council can prevent and relieve homelessness in a variety of ways such as-
 - Advice on security of tenure.
 - Advice on Protection from Eviction.

- Legal Advocacy on tenant’s behalf with private landlords.
- Negotiating with hosts to allow clients to continue to stay with them.
- Offering incentives to Landlords to renew tenancies.
- Increasing the security of the homes of the victims of domestic violence via the sanctuary scheme to allow them to stay.
- Home visits to confirm the circumstances of the client.
- Rent and mortgage rescue scheme to pay arrears where clients meet the criteria.
- Increased priority on the Council’s waiting list where the requirements of the Council’s Housing Allocations and Nominations Policy are met.
- Offers of accommodation from the Council’s Rent Deposit Scheme.
- Arranging local supported housing / hostel places for single people.

5 PERFORMANCE – NUMBER OF POSITIVE OUTCOMES

- 5.1. Performance in relation to the number of positive outcomes is recorded below. As the table below sets out, the number of homelessness preventions have remained fairly consistent over the previous years. Merton has historically had the lowest number of cases in temporary accommodation in London and these activities contribute directly to this achievement.

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Preventions	465	504	480	455	452	461	338 (to Dec)

6 ROUGH SLEEPING OUTREACH & OTHER SERVICES

- 6.1. Since 2019, the Council has secured over £3 million of grant funding to develop a range of services specifically for rough sleepers. This group has specific needs above and beyond the provision of accommodation alone. The services include: day-time outreach provided by a team of in-house staff with night-time outreach covered by Thamesreach; emergency accommodation; and day-to-day support and tenancy sustainment for clients. The service has established an accommodation pathway for clients to enable them to move on to more sustainable housing depending on their needs, including shared housing with support in the private rented sector, supported housing, or tenancies of self-contained accommodation in the private rented sector.
- 6.2. In the month of November 2023, there were 100 referrals during the month concerning 44 known individuals. Although the number of referrals

dropped to 73 in December 2023, the number of known individuals had increased to 46. Some of these referrals concern rough sleepers already accommodated by the council but continued to stay out, or who have refused multiple offers of accommodation. The council continues to try and work with entrenched rough sleepers alongside other agencies, with the aim of helping them move away from their chaotic way of life, and start engaging meaningfully with support services that will help them overcome trauma, to stabilise and recover, then move on to live more independently.

6.3. Below is a summary of the rough sleeper cases currently accommodated by the Council as of December 2023.

In Accommodation	No of Clients	Of which recourse to no public fund
Nightly Paid Temporary Accommodation	19	3
PRS Shared Housing	25	5
Supported Housing	38	0
Total	80	13

6.4. It is evident that the number of rough sleepers in Merton is on the increase. The chart below shows the number of referrals of rough sleepers to our Outreach Team had more than doubled between April and August 2023 and stayed high through October and November. Although the number of referrals then dropped in December, the number of individual rough sleepers we dealt with that month was the highest ever.



6.5. The official annual single night count/estimate figure has also gone up significantly to 13 from 6 in 2022. All except one of the 13 clients were known to the outreach team. Below is a summary of why they remain on the streets:

- Had accommodation arranged by the council available on count night but chose to sleep rough = 3
 - Refused to engage = 3
 - Refused offer of accommodation = 2
 - Abandoned or evicted from accommodation = 2
 - NRPF = 2
 - New client = 1
- 6.6. The increasing demand for our services has put a strain on our limited grant funding, and it has become increasingly challenging to meet the multiple needs of the growing number of clients we support. To mitigate this, we have tapped into sub-regional and Pan London resources, such as move-on accommodation through Clearing House, the Pan London Substance Misuse Service, support for clients with immigration issues through the South London Refugees Association and Street Legal etc..
- 6.7. We have successfully bid for £40k funding for 2023-24 through DLUHC's Move-on and Prevention Funding to cover additional accommodation cost, and have just submitted a bid through DLUHC's Winter Pressure Fund for up to £11k to help pay for SWEP accommodation this winter. We are also awaiting to hear the outcome of a capital bid to the GLA for a supported housing scheme with intensive one-to-one on-site support for our 'Target 1000' clients – the most entrenched rough sleepers on the GLA Target 1000 list.

7 TEMPORARY ACCOMMODATION

- 7.1. As noted above when residents make homeless applications, in some circumstances the Council has a legal duty to provide temporary accommodation, typically during the relief period if someone is actually homeless. Not all individuals are entitled to temporary accommodation.
- 7.2. As noted above where people appear to be (a) eligible for assistance; (b) homeless; and (c) in priority need of accommodation, they are owed what is known as the 'interim' duty. This duty provides them with temporary accommodation pending more detailed enquiries into their application and actions taken by the authority to relieve their homelessness.
- 7.3. Where on conclusion of those enquiries, (and assuming it is not possible to prevent or relieve homelessness) if officers within the Housing Department are satisfied that the homeless person is eligible; homeless; is in priority need and did not become intentionally homeless; and has a local connection, then they are owed what is known as the 'full' or the 'main' duty.
- 7.4. This is a duty to continue to provide them with suitable temporary accommodation, without limit of time, until the duty is brought to an end in a limited number of prescribed circumstances, most commonly via a

reasonable offer of accommodation. This offer is from a registered social landlord or via a private sector landlord.

- 7.5. Accommodation offered under the Act is required to be suitable for homeless households and this is set out in the Homelessness (Suitability of Accommodation) (England) Order 2012. When securing accommodation in relation to either the “interim” or “main” homeless duty, s208(1) of the Housing Act states, so far as reasonably practical, the authority must secure this accommodation in its own area. This was reinforced in the Supreme Court judgement handed down in the case of *Nzolameso v Westminster* 2015.
- 7.6. Central government policy has restricted the types of temporary accommodation that can be seen as suitable in the discharge of these duties. With effect from 1st April 2004, the use of bed and breakfast for families with children was made unlawful over a 6-week period and the use of this accommodation for persons aged 16 or 17 years old is likewise discouraged.
- 7.7. Merton Council has the lowest number of households in temporary accommodation of any London Borough. However, there has been a significant increase in numbers going into temporary accommodation across 2022/23, which has increased even further in 2023/24. The LGA reports that the number of households living in temporary accommodation has risen by 89% in the last decade to the highest number nationally since records began in 1998.
- 7.8. These increases are due to a number of factors-
- Significant increases in private sector evictions under s21 Housing Act 1996. This is driven in part by the end of the moratorium on evictions under the pandemic and increases in mortgage interest rates causing Landlords to increase rents that tenants cannot afford or forcing Landlords to sell. End of Assured Shorthold Tenancy (end of AST) is the largest cause of homelessness in Merton and London as a whole. Research from Shelter in February 2023 showed that evictions by s21 notice were up 143% in one year.
 - Increases in asylum seekers awarded refugee status being asked to leave home office accommodation. In Merton the Holiday Inn in Colliers Wood holds up to 240 asylum seekers. From September last year the Home Office has been clearing the backlog of asylum cases and this has meant an increase in homeless applications. The majority of cases have nowhere to live when the Home Office makes a positive decision, and this therefore leads to homeless applications. In some cases the Council only had 7 days’ notice of eviction.
 - Increases in the number of domestic abuse cases applying as homeless.
 - There has been a drop in the number of private sector properties becoming available with research by London Council’s showing a 41% reduction in the number of properties available for private rent since the pandemic.

- 7.9. All homeless activity is recorded in the HCLIC homelessness statistics which are completed quarterly. The most recent published quarter is for April to June 2023. London Council's also collect statistics quarterly for the region and have just released data for July to September 2023.
- 7.10. The most recent returns showed the following statistics and trends across London-
- Homelessness presentations in June 2023 were 22.1% higher than a year earlier, while the number of households owed a prevention or relief duty was up 12.7%. In September the increase was 14.5%
 - The number of households living in Temporary Accommodation in June 2023 has increased 6.6% in comparison to June 2022. In September the numbers increased by 7.3%.
 - In May 2023 there were a reported 64,003 households in Temporary Accommodation in London (105,750 household in temporary accommodation nationally).
 - The data continues to show a rise in the number of London households living in Bed & Breakfast (B&B) accommodation, including for greater than six weeks. 27 authorities reported 1,674 families living in B&B accommodation in June 2023, up 375.6% on a year earlier. Over the same period 26 authorities report 989 families living in B&Bs beyond the six-week limit, an increase of 710.7% from 122 the year before (an additional 867 families).
 - 23 authorities report average weekly Temporary Accommodation rates were 13.2% (£37.76) higher in June 2023 compared to June 2022. The average weekly temporary accommodation rates reported by 30 authorities for May 2023, compared to the same month of 2022, were 8.6% (£25.10) higher. By comparison, 23 authorities reported the average weekly TA rates were 1.8% (£5.21) higher in January 2023 compared to January 2022.
 - Data from 26 boroughs showed a net deficit on homelessness service spending as of September 2023 is projected to be 48.5% (£123.1m) higher in 2023/24 than it was in 2022/23. When adjusting for General Fund Transfers, 24 boroughs report the net deficit for the same period is projected to be 47.1% (£116.7m) higher in 2023/24 than in 2022/23
- 7.11. The numbers in temporary accommodation for neighbouring local authorities published in June 2023 is as follows-more on other London boroughs.

Authority	Number in TA in June 2023	Number per 1000 households
Sutton	895	10.62
Kingston	939	13.39
Croydon	No published figure	No published figure
Lambeth	No published figure	No published figure
Wandsworth	3,248	23.58
Richmond	521	6.11
Bromley	1,587	11.10
Merton	380	4.76

7.12. **Merton numbers in Temporary accommodation snapshot at year end**

2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
174	199	197	230	350	469 (to Dec)

7.13. The Council has a legal duty to find accommodation in borough 'so far as reasonably practicable'. In practice, we try to find temporary accommodation in Borough or as close to Borough as possible, and if this is not possible, within 90 minutes of the Borough. However, this is not always possible, and the demand for temporary accommodation in London is significant. We are competing for the same spaces with other boroughs and the Home Office across the capital as well. We would generally only place households outside of London when these are neighbouring authorities, or the applicant voluntarily agrees to such a move. Any applicant to whom the main duty is owed has a statutory right to request a review of the suitability of their temporary accommodation.

7.14. The Council does have to use Bed & Breakfast if not other suitable accommodation is available, but use is generally low and not over the 6-week legal limit. At the time of writing only 3 cases are in B&B and no of these are over 6 weeks.

7.15. **Numbers in temporary accommodation, and location of placements (as of end December 2023)**

Local authority	Family	Single/Couple	Total
Merton	102	18	120
Bexley	4	1	5
Brent	2		2
Bromley	9	3	12
Croydon	122	59	181
Ealing	1	2	3
Enfield	2		2
Greenwich	4	1	5
Harrow		1	1
Hillingdon	1	1	2
Hounslow	4		4
Kensington and Chelsea		1	1
Kingston upon Thames	1		1
Lambeth	29	17	46
Lewisham	12	2	14
Redbridge	2		2
Richmond upon Thames	1		1

Southwark	7	4	11
Sutton	20	3	23
Waltham Forest	5		5
Wandsworth	7	4	11
Aylesbury Vale	1		1
Dartford	1		1
Epsom and Ewell	2	1	3
Leicester	1		1
Medway		1	1
Mole Valley	3	1	4
Runnymede	1		1
Slough	2		2
Tandridge	1	1	2
Total	347	122	469

8 ACTIONS TO FIND FURTHER TEMPORARY AND LONG TERM ACCOMMODATION

8.1. The Council is carrying out a number of actions to mitigate or respond to the rise in temporary accommodation by doing the following-

- Working with Clarion to acquire some right to buy buy-back properties for use as temporary accommodation under the Local Authority Housing Fund (LAHF).
- Working with L&Q to acquire some void properties in Merton to use as temporary accommodation. This is being done under the 'Project 123' process announced by the G15 Housing Associations to assist with the current rise in homelessness. Merton is one of the first authorities to use the scheme.
- Continuing to be part of Capital Letters in relation to private sector procurement. Whilst there has been a significant drop in such procurement across the capital in 2023, the Local Housing Allowance (LHA) increase announced in the budget to 30% percentile of local rents will likely mean a more favourable market for local authorities go forward. Proposed figures have been released in January 2024.
- Investigating potential to work with Capital Letters to acquire a lease on a temporary accommodation block in the borough to ensure more residents can be housed temporarily in borough rather than elsewhere. There are current discussions around a 72-unit site in Wimbledon.
- The Council chairs a monthly meeting on the Holiday Inn in Colliers Wood which includes representatives from the Home Office, Ready Homes, health

and children's and adult social care. This group is provided with a monthly update on numbers in the hotel broken down by household type.

- The Council has launched an empty homes scheme and a permanent officer is in post as of January 2024 and is part of the Council regulatory services team which manages existing empty homes schemes for Richmond and Wandsworth. The officer will use a variety of approaches to bring properties back into use, including a grants scheme which require the Landlords who benefit from it to offer such homes to clients nominated by the Council.
- Continuing work with London Housing Directors and housing needs group to share good practice.
- The Council has set ambitious affordable housing targets seeking to build 400 new affordable homes on Council own land.

9 ALTERNATIVE OPTIONS

None for the purposes of this report

10 CONSULTATION UNDERTAKEN OR PROPOSED

10.1. None for the purposes if this report

11 TIMETABLE

11.1. None for the purposes if this report

12 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

12.1. The current net budget for temporary accommodation/homelessness is £990,230.

12.2. The forecast net spend is £2.365m with a net overspend forecasted of £1.375m

12.3. If numbers in TA continue to rise steadily the number in TA at end of March 2024 is estimated to be approximately 500 compared to 350 at end of March 2023.

12.4. Based on this, the number in TA by the end of 2024/25 could be in excess of 650 with average spend per number in TA at £5,000 per annum, the estimated net spend could be in excess of £3m for temporary accommodation/homelessness and the estimated overspend could be in excess of £2.26m.

13 LEGAL AND STATUTORY IMPLICATIONS

13.1. None for the purposes if this report

14 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

14.1. Following commitments made by the Government to reduce the Asylum back log there has been an increase in the number of asylum seekers granted status whilst living in the Colliers Wood Holiday Inn which is hotel accommodation (HA). Previously, cases were moved on to dispersed

accommodation (DA) before receiving decision, and whilst this continues to occur many more are now receiving decisions in hotel accommodation and subsequently make homeless applications.

- 14.2. Local authorities are being consulted on plans to determine an annual cap on the number of refugees resettled in the UK each year, based on the UK's capacity to accommodate and support people coming to the UK via safe and legal routes.

15 CRIME AND DISORDER IMPLICATIONS

- 15.1. As noted above the Council chairs a monthly meeting on the Holiday Inn in Colliers Wood and there is a standing Agenda Item on community safety. To date we can say that there have not been no major issues, but the Council continues to monitor and work with partners in relation to this.

16 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

- 16.1. None for the purposes of this report as information only

17 APPENDICES – THE FOLLOWING DOCUMENTS ARE TO BE PUBLISHED WITH THIS REPORT AND FORM PART OF THE REPORT

18 NONE BACKGROUND PAPERS

- 18.1. None