

Crawley Borough Council

Report to Overview and Scrutiny Commission 5th June 2023

Homelessness in Crawley

Report of the Head of Strategic Housing – SHAP/87

1. Purpose

- 1.1 This report has been produced in response to a request by the Overview and Scrutiny Commission to provide an overview of homelessness in Crawley.

2. Recommendations

- 2.1 This report is for information purposes and therefore it is asked that the Overview and Scrutiny Commission receive this report, note progress to date and acknowledge any future service actions.

3. Reasons for the Recommendations

- 3.1 Under the Scrutiny Procedure Rules, it was requested that a report be provided to the Overview and Scrutiny Commission on the current drivers for homelessness in the borough.

4. Background

- 4.1 Local housing authorities' statutory responses to homelessness are directed by legislation, the Code of Guidance, best practice and case law. However, the causes of homelessness are often nuanced and complex - a blend of personal circumstances, the impact of national policy decisions, the pressures brought on by broader economic issues and the local housing market.
- 4.2 Two of the most prolific causes of homelessness, both locally and nationally are households who are no longer willing or able to accommodate friends or family members, and loss of private rented sector accommodation. The pressures on household finances (as a result of cost-of-living pressures) and on the private rented sector (as a result of policy decisions to change taxation and the security of tenure) only fuels instability, driving more people to approach Local housing authorities for help.
- 4.3 The Covid-19 pandemic had a swift, significant, and lasting impact on homelessness and the services that support those affected. 2020 saw a 40% increase in approaches to the Council's Housing Options service and a similar increase in the use of temporary accommodation. Escalating and ongoing cost of living pressures have meant that the demand on homelessness services has not and is not likely to return to pre-pandemic levels.

- 4.4 Local authorities' ability to meet these challenges is dependent on Government funding. The formula for funding homelessness services recently underwent a review, and alongside a significant reduction in funding for Crawley, high levels of inflation only worsen the impact. The differential in funding nowhere near matching the differential in pressures and demand on the service. This has put the Council's finances under unprecedented pressure and is unsustainable in the longer term. Currently, approximately 20% of the Council's total General Fund revenue expenditure is allocated to homelessness functions and the rising level of costs of, and demand for temporary accommodation, coupled with a real term reduction in Government grant resulted in an overspend of approximately £1.6m for 2022/23.

5. National Policy Context

- 5.1 Direct Homelessness Policies such as *The Homelessness Act (2002)* in England and Wales brought in new duties and preventative approaches which meant more people could access advice and assistance. This prevention led approach resulted in a reduction in homelessness acceptances in 2009/10.
- 5.2 From 2010, rough sleeping and acceptances began to rise again with the impact of welfare reform, rising rents and the housing crisis. This led to the most significant change to homelessness legislation in 40 years, *The Homelessness Reduction Act (2017)*, which brought about significant new duties and burdens to prevent and relieve homelessness, implemented from April 2018.
- 5.3 Wider policy in housing and welfare may not be designed to tackle homelessness, but can have a direct impact, and indirectly affect the efficacy of homelessness policy and practice. The decline in house building and availability of social rented accommodation over the last 45 years, the lack of affordable housing to tackle homelessness, including the reduction in available stock through right to buy, is a key determinant in whether local authorities across Britain can discharge their homelessness duties. This is regardless of how progressive the homelessness policies are.
- 5.4 Changes in welfare policy, the anticipated changes to section 21 Notices and changes to tax benefits for landlords, pose challenges in assisting homeless people. The current gap between private rental prices and the Local Housing Allowance rates available is a key homelessness driver, along with the shrinking private rental market as landlords reduce or dispose of their portfolios. This both causes homelessness and restricts the ability of local authorities to address it.
- 5.5 Events in Syria, Afghanistan, Hong Kong and Ukraine have resulted in assistance and resettlement schemes which increase the demands upon a housing market that is already under pressure in the UK.

6. Local Context

- 6.1 *Temporary Accommodation* - The pandemic and subsequent pressures on the cost of living resulted in a substantial and sustained increase in the use of nightly paid temporary accommodation (see table below). With most local authorities being in the same position, competition for temporary accommodation led to scarcity values with providers increasing the amount they are charging, with average nightly costs [per room per night] almost doubling from £40 to £75.

	Total households in temporary accommodation	Of which in nightly paid temporary accommodation
Snapshot as at 31 st Dec 2019	158	4
Snapshot as at 31 st Dec 2020	249	86
Snapshot as at 31 st Dec 2021	284	113
Snapshot as at 31 st Dec 2022	399	192

- 6.2 This issue is not localised to Crawley. Expenditure on temporary accommodation has escalated across the country, with local authorities in England spending over £1.1bn per annum pre-2020, this figure has now risen to over £1.6bn per annum and is expected to increase.
- 6.3 *Private Rented Sector* - In 2022, a tenancy in the private rented sector ending took over from parental exclusion as being the most given reason for homelessness in Crawley. Nearly half of those seeking help from the Council cited the landlord selling the property as the reason for their tenancy ending. Landlords are leaving the rental market in increasing numbers, resulting in a constrained supply of rental accommodation and an increase in rents.
- 6.4 A snapshot of rental data for Crawley taken in January 2023 showed the average shortfall between the rent and the maximum amount benefits can cover (through the Local Housing Allowance), was over £300 a month. The same snapshot taken three months later in April 2023 showed the number of privately rented properties available had halved, rents had increased, and the average shortfall between rents and LHA rates had increased to over £400 per month.
- 6.5 Nearly 40% of households owed a prevention, relief, or main homeless duty in Crawley have this duty met through the private rented sector. A reduction in the size and affordability of this sector will place increased pressure on social housing to meet this demand.
- 6.6 *Housing Register* – In April 2023 there were over 2,100 households on the housing register, of which approximately a fifth were homeless applicants. This is over 200 households more than in April 2020 and will continue to rise as wider pressures impact people’s ability to access affordable housing.
- 6.7 Crawley (via West Sussex County Council) is currently hosting 800 Afghan nationals in bridging accommodation, plus a further 800 other nationals in asylum contingency accommodation. This need is being met across five hotels within the borough. Whilst households will be made two offers of accommodation under the asylum dispersal scheme, should any choose to refuse both offers, they are likely to approach the Council for assistance.
- 6.8 The number of Ukrainian households residing in Crawley under the family scheme is unknown, whilst the number on the sponsorship scheme is estimated to be in the region of 45-60 households. If current arrangements break down, they are likely to approach the Council for assistance.
- 6.9 In November 2022 the Chagossian British Overseas Territories Citizenship scheme was launched, with over 4,700 applications for British passports and citizenship made to date, including from households already in the UK. The Foreign, Commonwealth & Development Office (FCDO) recognises that the majority are likely to want to settle in Crawley, where the largest existing Chagossian community in Britain resides. The Council awaits confirmation of new burdens funding from Government and will be faced with unprecedented demand on homelessness and housing register services in addition to the existing local demand from

local need. This will require the establishment of a separate team to work alongside the existing service to respond to this new demand and to source additional temporary accommodation. Out of borough solutions will need to be pursued as there is an insufficient supply of accommodation within Crawley.

7. Crawley Borough Council's Response

- 7.1 With the approval of the Head of Service and Cabinet Member for Housing, the percentage of properties allocated to homeless households via the housing register was increased as a short-term measure to reduce the pressure on temporary accommodation and speed throughput.
- 7.2 Every effort is being made to increase the Council's own stock of temporary accommodation, through both acquisition and development. Six additional units with support delivered in 2022 with funding secured through a successful Rough Sleeping Accommodation Pathway (RSAP) bid. Eleven additional units with support delivered in 2022 in partnership with Crawley Open House and a private landlord, funded by a successful Next Steps Accommodation Pathway (NSAP) bid. The acquisition of a twenty-seven-unit property and the delivery of modular housing schemes are also currently being progressed.
- 7.3 Whilst the Council continues to operate the Crawley Deposit Service to help households facing homelessness access the private rented sector, the deposit bond is becoming less attractive to landlords. The Council will be reviewing what it can do to make its offer more attractive and encourage uptake of its services but realistically given the competing demands on this sector opportunities will be, at best, limited.
- 7.4 The Council has a successful track record in the delivery of new affordable housing and remains committed to the delivery programme. Despite water neutrality requirements stalling housing delivery, over 600 affordable homes have been delivered over the past three years, with over 480 completions forecasted for the coming two years, and a further 350 expected to start on site.

8. Conclusion

- 8.1 The pandemic fundamentally shifted the demand for and expectations around housing. The impact of national pressures, funding decisions and Government action around British Citizenship and changes to bridging accommodation provision has put considerable strains on Council resources and the supply of accommodation within Crawley.
- 8.2 The pressures faced in Crawley have and continue to be raised with Government departments at every opportunity. However, with funding to homelessness services being reduced in real terms, the future remains challenging as the Council continues to respond to a situation driven by factors outside of our control.

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