

Housing and City Development Scrutiny Committee

15 July 2024

Homelessness and Rough Sleeping

1. Purpose

- 1.1 This report provides an update on the current position regarding homelessness and rough sleeping in Nottingham. There is a significant national problem relating to homelessness and many of the national drivers for this are also at play locally. However, specific features of the local housing market, economy and other local circumstances, including a past history of underinvestment, have led to the city having a particularly acute problem. The restructure currently underway of the Council's Housing Solutions service is one of the key interventions utilised to tackle this situation.
- 1.2 The report will distinguish homelessness generally from rough sleeping. The majority of the Council's budget costs related to homelessness are due to its duty to support households in priority need who are becoming homeless as a result of a range of factors such as evictions or relationship breakdown. The experience of these households does not usually involve rough sleeping. Separately, rough sleeping is a growing phenomenon, for a relatively small number of people, often with a range of complex needs. The majority of grant funding opportunities made available by the Government are ring-fenced to tackle rough sleeping and cannot be used to meet the Council's statutory duties.

2. Homelessness in Nottingham

- 2.1 The Council's statutory duties in relation to homelessness are set out in the Housing Act 1996, Part VII (as amended by the Homelessness Act 2002) and the Homeless Reduction Act 2017. Under this legislation, the Council has a statutory duty to prevent and relieve homelessness, which includes a requirement to provide emergency accommodation to people in priority need while their application for permanent housing is assessed. For people assessed as homeless, eligible, in priority need and who have not made themselves intentionally homeless, the Council has a duty to provide temporary accommodation up to the point in which an offer of permanent, settled accommodation can be made.
- 2.2 Over the last 12 months, the use of emergency accommodation – either hotels or nightly paid temporary accommodation (NPTA) – for homeless households more than doubled. In relation to emergency accommodation, the Council is currently (at 18 June 2024) accommodating 235 households, 85% of whom are families, compared to 115 a year ago. Whilst use has increased significantly, the average cost of an emergency room or unit used by the Council has reduced if all forms of temporary accommodation are included. There are around 800 households currently being accommodated due to

being placed by the Council under Homelessness Reduction Act duties, and this includes around 430 families.

- 2.3 The Council's primary objective is to try and prevent homelessness from occurring in the first place. This involves encouraging households at risk of homelessness to contact Housing Solutions at the earliest opportunity where officers have a range of interventions available to save the tenancy or move the household into alternative accommodation before they become homeless. This will include the creation of a personalised Housing Plan and referral to any services required that can meet support needs. The Council has been successful with its prevention work in many cases, however, this work requires officer capacity and, in the past, high casework numbers (along with a tendency for many households to approach the Council too late in their process to enable a prevention) has meant that there are still large numbers of households that become homeless and need assistance with rehousing or temporary accommodation. This is now being addressed through the additional capacity created within the Housing Solutions team.
- 2.4 When homeless households with support needs are provided with temporary accommodation operated by a Registered Provider, then the accommodation costs can be largely met from exempt supported accommodation housing benefit charges. However, when this is not available and households are accommodated in hotels, the Council must largely meet these costs from its own budget. The Council is forecasting a significant spend on its temporary accommodation budget because of the high numbers of people being accommodated and because there is an imbalance between supply and demand with more households going into some form of temporary accommodation than exiting it. The total number of people in any form of temporary accommodation on 31 March 2023 was 599 while, on 31 March 2024, it was 776 (an increase of 177 households). The lack of available affordable housing as well as the unaffordability and high demand for properties within the private rented sector limits the options for permanently rehousing.
- 2.5 Features of the national and Nottingham housing market have made this crisis acute, including very high rents in the private sector, well above Local Housing Allowance (LHA) levels, and a shortage of affordable homes. Average incomes in Nottingham are well below national averages while recent rent increases in the East Midlands have been higher than national averages. Due to a previous Government freeze in LHA rates, even lower quartile rents within the private sector market have been higher than LHA limits. The Government amended this policy in April 2024 when the LHA was restored to match the 30% percentile of local market rents (that is, equal to the cost of the lowest 30% of rented properties). However, this is based on all market rents, not just new leases. That means the LHA rate remains lower than most rents for available properties. Private rental markets within the Council's boundaries are also under pressure from the expanding student market and city professionals, further limiting supply. Affordability issues have worsened due to the cost-of-living crisis with utility and food inflation impacting on the

broader spectrum of household income levels, including owner occupiers who have also been affected by the increase in mortgage interest rates.

- 2.6 The shortage of affordable housing is also acute in Nottingham. There are now almost 10,500 households on the Council waiting list. Although the Council has been, and continues to invest, in the development and acquisition of new Council housing, the number of new homes built has not been able to match the significant numbers lost through Right to Buy (RTB). Between 2019-2023, there were 988 RTB sales completed while, in the same period, the Council completed building and purchasing 374 new permanent affordable homes and Register Provider partners completed a further 126 homes, totalling a replacement supply of 500 affordable homes. The number of affordable homes being delivered by Registered Provider partners has decreased due to the additional budget pressures related to the increased costs of fire prevention works, new decency standards and additional measures to tackle damp and mould. This has been compounded by high build cost inflation and limited land supply for development within the city's tight boundaries.

3. Reducing Homelessness

- 3.1 Nottingham has an existing Homelessness Prevention and Rough Sleeping Strategy that was originally developed in 2019 and is currently in the process of being updated for completion later this year. The Strategy draws on a cross-sector partnership of organisations who commit to actions to prevent and respond to homelessness and its causes, and also to tackle rough sleeping. It is monitored by the multi-partner Strategy Intervention Group (SIG), which meets on a bi-monthly basis. The SIG is completing an updated Homelessness Needs Assessment, which will provide the evidential base to inform the new Strategy.
- 3.2 One of the key actions for the Council has been to increase the capacity of Housing Solutions. Previously the service had been understaffed, leading to extremely high caseloads. This meant that staff were largely having to prioritise crisis cases and so were unable to spend adequate time on prevention and advice. The team has sought to expand in several ways, including to increase its work with the private rented sector through the Nottingham Private Rented Assistance Scheme (NPRAS) team, to source more suitable properties to rehouse households to whom the Council has a duty and provide advice to private rented tenants. Once new staff are recruited and trained, the Council expects to see more homeless preventions and an increase in move on rates for families currently in temporary accommodation. Prevention remains the most important of all intervention strategies because, if there continues to be more people going into emergency and temporary accommodation than going out, the problem will continue to get worse.
- 3.3 The restructure of Housing Solutions is now progressing well, although it is not yet complete. The restructure increases resources of the Housing Solutions Service. Some of the increase in capacity is designed to reduce

caseloads to manageable levels (35-40 per officer). This will improve the capacity for officers to focus on prevention, increase use of discharge of duty and improve homelessness decisions, thereby reducing the proportion of applicants being placed in temporary accommodation. The restructure also increases the capacity of the NPRAS team, which procures private rented sector property that is offered to homeless applicants. A proportion of this supply is used to prevent homelessness so, as the supply increases, the Council is able to prevent more homelessness. The increase in capacity also enables greater liaison and co-operative working with internal and external partner agencies.

- 3.4 Recruitment is continuing for the remaining 14.9 full-time equivalent (FTE) vacant posts of those established in September 2023. While the Council remains focused on its target to complete the recruitment by August 2024, the biggest challenge is finding suitable candidates.
- 3.5 The Casework Team has continued to focus on reducing the outstanding caseload. There are over 750 decided cases awaiting rehousing. Individual caseloads remain higher than the recommended caseload of 35-40, but the average is now 72 per officer (down from 165 at the beginning of the calendar year) and no officer has a caseload of over 90 cases. As of June, the NPRAS team is on track to facilitate a minimum of 42 tenancies. Of the 42 households, 22 are families. Overall, 29 of the 42 tenancies are for an initial minimum fixed term of 12 months, offering more stability for homeless households, while 16 of the 42 are households were previously in a form of temporary accommodation (hotels, NPTA, hostels and dispersed provision).
- 3.6 In addition to the increased capacity within Housing Solutions, the Council is also seeking to prevent people becoming homeless through the robust contract management of operational partners providing support services, providing targeted support to landlords considering eviction and expanding eviction prevention protocols, supporting family members who are asked to leave to move out in a planned way, assisting people in financial hardship, and linking households in temporary accommodation into employment support.
- 3.7 The Council has put in place a framework to provide block bookings of emergency accommodation such as hotel and NPTA. This is achieving significantly lower rates per night and helping to reduce Council budgets. It will help to get more families out of hotel and B&B accommodation without self-contained facilities and into self-contained spaces, at a lower cost.
- 3.8 A range of measures are also being taken to support households in temporary accommodation to minimise the time they spend there, depending on the increased capacity of officers in Housing Solutions. This includes:
 - putting personal Housing Plans in place for each household that are tracked and actioned;
 - robustly managing third-party providers to ensure that they are supporting people to move on and to evict anyone to whom the Council's duties are discharged;

- providing more offers of private rented accommodation to discharge duties, including properties outside of the city boundary; and
- reviewing the allocations policy to ensure that homelessness is not a route to Council housing and enabling the allocation of flats to families (currently in progress).

- 3.9 The previous under-resourcing of Housing Solutions has led to a backlog of households living in temporary accommodation. The Council's Housing department has invested in bringing back into use a large number of void properties as quickly as possible to use these to provide additional temporary accommodation. This will allow the service to move as many of the families currently in expensive hotels and bed and breakfasts (B&Bs). Given this additional capacity, the Council will also seek to place more households directly into hostel-type accommodation when they require emergency accommodation, bypassing the need for prolonged stays in hotels and B&Bs. It will reorganise its wider temporary accommodation portfolio to include some supported housing managed by Registered Provider partners alongside other temporary units managed by the Council without support (where this is not required). Through the new Homelessness Prevention and Rough Sleeping Strategy Action Plan, the Council will put in place a procurement strategy detailing the temporary accommodation model and our supply mechanisms, in order to ensure sufficiency.
- 3.10 Increased officer capacity at Housing Solutions is also enabling the Council to maximise the amount of Housing Benefit it can claim to meet the costs of households placed in B&B or NPTA, further reducing costs. Opportunities will also be explored to reclaim service charges from households where appropriate.
- 3.11 In addition to the increased investment into utilising void properties, the Council is also sourcing additional temporary accommodation by purchasing additional properties using devolved funding, utilising established frameworks to procure properties under a variety of models (including via block booking and through Registered Provider partners), converting under-utilised and low demand properties within the Council's stock to new temporary accommodation facilities, and utilising grant funding to secure supported accommodation for single people with complex needs through third-party providers.
- 3.12 Taken together, these measures aim to increase preventions, minimise the use of expensive hotel and B&B placements, help people to move through temporary accommodation more quickly, source new temporary accommodation and tackle the current backlog of people living in temporary accommodation.

4. Rough Sleeping in Nottingham

- 4.1 There has been a significant rise in rough sleeping nationally, which has also been evident in Nottingham. Most of the factors leading to increase homelessness generally also impacts on the number of people rough

sleeping. Many rough sleepers have complex support needs and factors such as people being discharged from hospital without accommodation can further exacerbate this. In October 2023, the Government announced it was closing a range of hotels housing asylum seekers and speeding up decision-making. This has also led to an increase in rough sleeping for refugees without accommodation, to whom the Council owes no duty due to a lack of priority need. More recently, the overcrowding pressure in prisons has led to a significant number of early releases, including of offenders who do not have appropriate accommodation and can result in more rough sleeping. The recent increase in early releases has not always been accompanied by prior notice to Local Authorities, which has led to more people on the streets in an emergency situation in terms of having nowhere to stay.

- 4.2 During the Coronavirus epidemic in 2022, the national 'Everyone In' initiative sought to see all rough sleepers placed in hotels to avoid infection. This had a legacy, however, as more rough sleepers were attracted to the city because of its comprehensive services. On top of this, many of the other Local Authorities around Nottingham place rough sleepers in hotels within the city boundary. Some of these individuals then remain within the city when the Local Authority's support duty ends.
- 4.3 The Council utilises a range of external funding to commission services to support rough sleepers. This includes a monthly count of people sleeping rough to give a snapshot of the extent of the problem. The June 2024 headcount found that there were 51 people sleeping rough in Nottingham. Rough sleeping patterns tend to follow seasonal patterns and although there have been a number of occasions when there have been higher numbers of people sleeping rough, this has been the highest figure recorded in June over the last 10 years. This included 42 males and 9 females. Of this group, 6 did have an available home and 12 people were homeless after being released from prison.
- 4.4 Although this shows that there has been a real increase in rough sleeping, the perception of rough sleeping is compounded by begging from individuals who present as rough sleeping but who are, in fact, housed. Further to this, consistently around one in ten individuals found rough sleeping in Nottingham are not homeless and have an accommodation option. Many of the individuals who continue to sleep rough when they have accommodation are experiencing Severe and Multiple Disadvantage (SMD), meaning they have a complex combination of at least three of the following issues: homelessness, substance abuse, mental health condition, a history of offending and domestic violence. It is common for these individuals to form alliances and communities on the streets and remain with these networks despite having housing available.
- 4.5 So far in 2024, 154 individuals have been supported into accommodation. Despite this, engaging people to accept support and accommodation can be a challenge as a number of rough sleepers will refuse to be assessed. A large proportion of rough sleepers move through the city and are not seen again after they have initially been counted. However, there are entrenched rough

sleepers, often with SMD and backgrounds of trauma, who are disillusioned with services and distrust that support is going to deliver what they determine to be a positive outcome.

- 4.6 In addition to the entrenched cohort of people, there has been the additional pressure of accelerated Home Office evictions. This initiative led to an additional 145 people (all newly recognised refugees) being found rough sleeping on the streets of Nottingham between September 2023 to present day.
- 4.7 Not all grant funded services are fully mobilised as one of the supported accommodation projects closed at the end of June due to partner organisation being unable to continue delivery. Alternative provision has been sourced, however, there is likely to be a gap in provision in July while alternatives are put in place. The Nottingham Shelter will also close at this time, which together could lead to higher rough sleeping number during July 2024.

5. Reducing Rough Sleeping

- 5.1 Rough sleeping is a symptom of a range of other underlying issues. As with homelessness more generally, the Council's first priority in tackling rough sleeping is to prevent people from reaching this stage in the first place. Many people sleeping rough have multiple complex issues and if housing is provided without appropriate wrap-around support then this often results in the person becoming homeless again. The Council, therefore, takes a co-ordinated response to addressing SMD. Officers have worked with the Department for Levelling Up, Housing and Communities to produce an Ending Rough Sleeping Plan with agreed actions and an analysis of gaps in support leading to increased rough sleeping.
- 5.2 Support services for rough sleepers are funded through external grants. Working in partnership with Registered Providers, Nottingham has been successful in achieving one of the highest combined awards to address this issue outside of London, totalling over £20 million between 2021 to 2025. Grants sources include:
 - Rough Sleeping Initiative
 - Accommodation for ex-Offenders
 - Rough Sleeping Drug and Alcohol Treatment
 - Rough Sleeping Accommodation Programme
 - Single Homelessness Accommodation Programme

Reliance on grant funding can, however, lead to short-term programmes that limit the ability for cross-sector collaboration and joint investment.

- 5.3 The funding has been used to deliver a comprehensive range of over 20 services, working with public and community sector partners. Activities range from prevention, identification, engagement, support, providing accommodation and resettlement work, all co-ordinated by a dedicated officer. The programme includes:

- an outreach team incorporating specialist roles to target engagement, reconcile people with their accommodation and navigate services;
- specialist navigators to prevent rough sleeping from hospital, prison and mental health facilities;
- a 20-bed accommodation and assessment hub;
- around 200 units of supported accommodation;
- a prevention and resettlement team providing support to people in their tenancies;
- focused roles within the statutory homelessness service to assess, support move on and increase access to the private rented sector; and
- a service to support people with histories of rough sleeping into employment.

These services are offered regardless of how often they are rejected.

- 5.4 The co-ordinated system of support involves co-operating with community and faith partners, as well as specialist public sector agencies. This includes working with health services specialising in substance misuse, mental health assessment and treatment and primary care. These workstreams link in with the Changing Futures and Integrated Care Partnership workstreams addressing SMD. Services also work with the Police to help support in circumstances where behaviours such as persistent and aggressive begging or offending create barriers to exiting rough sleeping.
- 5.5 The Council also produces a Winter Plan each year to set out how people who are rough sleeping will be supported during cold weather. Under the Severe Weather Emergency Protocol (SWEP), the Council has a responsibility to provide shelter for this group that triggers when the temperature reaches zero degrees. This involves organising warm spaces to stay, usually in the form of sit-up services. The Council does not offer hotel spaces during SWEP and rough sleepers from other areas are sent back to their area of origin after one night. This was put in place to avoid incentivising rough sleepers from other Local Authority areas to migrate to Nottingham during cold weather periods, rather than relying on their own Local Authority to meet need. The Council also promotes an alternative giving service called Street Aid, which allows people to donate to support homeless people in a way that supports services to these individuals rather than directly giving money that could be used to fuel addiction or go to people merely presenting as homeless but who are in fact adequately housed.

6. Conclusion

- 6.1 Nottingham faces a significant challenge around homelessness and rough sleeping, which is consistent with the national picture. This growing problem, which the Council has statutory duties to address, is leading to major additional pressures to the Council's budget. Many of the drivers for this growing problem relate to the wider housing market, combined with high levels of deprivation locally. Despite this, the Council has a plan to address the challenge and reduce numbers. The significant investment in the Housing Solutions services to enable a range of initiatives around prevention and

private sector engagement, combined with investment into sourcing and reorganising temporary accommodation and measures to drive down costs, are designed to tackle the backlog and increase the flow of people into settled housing.

- 6.2 Rough sleeping services will continue to help people off the streets and support them back into housing and stable life patterns. Although costs and numbers are expected to continue to rise in 2024, increase resource is aimed at reducing these on an ongoing basis going forward. The Council will also have to respond to any changing policy landscape following the General Election and seek to take advantage of initiatives that will support its efforts to tackle homelessness and rough sleeping.