

# Written evidence submitted by Salford City Council (TH0021)

## 1. Introduction

1.1 As a local authority, Salford City Council has continued to face ever-increasing financial pressure as a direct result of the ongoing national housing and homelessness crisis. The increase in households presenting as homeless – particularly households with complex needs – has exacerbated following the COVID-19 pandemic with rising private rents, an increasingly competitive market and high inflation all posing issues for both local authorities and residents when it comes to homelessness prevention.

1.2 There are a number of issues with homelessness and temporary accommodation that hinder councils response to households presenting as homeless and which it is believed that DHLUC could work closer with local authorities to address, namely:

- The rising cost of temporary accommodation year on year and as a proportion of the local authority's total spend.
- The rise in people being placed in temporary accommodation year on year, and the average time spent in these.

1.3 Local authorities have the direct expertise, connections and knowledge to best utilise preventative models within their own areas when it comes to tackling homelessness and the housing crisis in general. It is this localised person-centred approach which is best suited to ending the homelessness crisis and supporting households into sustainable and affordable accommodation.

1.4 There are a number of areas detailed below which require attention not only by the Department but across Government, including the Home Office and Department for Work and Pensions as a whole to remedy many of the pressures and support local authorities to carry out their duties under the Homelessness Reduction Act 2017 in a sustainable and holistic way for their communities.

## 2. Rise in Homelessness Presentations

2.1 The rise in presentations, coupled with the cost of living crisis and high inflation has intensified the need for a refreshed support model from DHLUC alongside greater long-term financial security for councils in dealing with homelessness. Failure to do so will result in further financial pressures for local authorities in general with the risk of issuing a Section 114 notice increasing.

2.2 Whilst many of the main reasons for people presenting as homelessness over the years has remained consistent, councils are beginning to see a much higher proportion of those presenting being individuals in work where they have been issued with a Section 21 or no-fault eviction notice due to rapidly rising rents and unaffordability. This, alongside other systematic issues such as caps in the welfare system have led to an increase in homeless households across the country. It should be highlighted that under the 2017 Act, local authorities stress their utmost efforts to find accommodation for households which is of a suitable affordability -something that is becoming an increasing challenge in itself. The exponential increase in these private rents has led to less available permanent accommodation which is affordable, meaning further use of temporary housing.

## 3. Current Nature of Funding

3.1 The issue of fragmentation and unpredictability in funding poses a growing challenge to councils as demands on services intensify. The short-term and patchy nature of this at

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present, including the likes of temporary accommodation funding, means many staff being offered only fixed-term contracts, resulting in a high staff turnover rate and the loss of significant staff experience and expertise.

3.2 At present for instance, 70% of staff within Salford Council's homelessness services are on short-term contracts despite the majority of these employees having worked at the organisation for over two years. The inability of the funding to consider the importance of retaining people with vital experience and expertise puts councils at a significant disadvantage and costs money in recruitment and training.

3.3 In addition to this, the inability of councils to sustainably plan means a high proportion of preventative funding being spent supporting use of temporary accommodation, such as the Homelessness Prevention Grant, an expensive 'sticking plaster' approach, rather than long-term holistic preventative work. Whilst local authorities have managed to utilise some of these funding mechanisms into preventative work in hopes to ease the pressure on acute reactive services, this work is slow and would be greatly supported by long-term sustainable funding plans.

### 4. Local Housing Allowance Rates

4.1 One of the most pressing issues in terms of support needed for local authorities is the stasis in Housing Benefit subsidy on temporary accommodation with rates being frozen at January 2011 value. This means that any temporary accommodation provided by the local authority as part of their statutory duty can only be claimed back at this rate.

4.2 In terms of system costs, this is extremely detrimental on local authorities, leaving them with financial pressures which has grown year on year. Without a commitment to lift this in the long term, this is also a hindrance to local authorities in terms of future financial planning. A potential uprating plus allowing local authorities to hold the same status as registered providers in terms of being exempt from subsidy restrictions would support the long-term savings from this.

4.3 In addition to the freeze on LHA rates, the continuation of the Shared Accommodation Rate for under 35 year olds disadvantages where people falling into this category can be placed and also what they can realistically afford – further limiting the council's ability to sustainably rehome residents in the long-term.

### 5. Competition and Standards of Temporary Accommodation

5.1 Aside from the short-term fragmentary nature of funding mentioned above in regards to how local authorities are tasked with dealing with homelessness, one of the major issues has been Government Departments such as the Home Office outbidding local authorities for temporary accommodation spaces. This is a further issue with competition becoming more common amongst councils themselves meaning a race to the top for private landlords where some councils are offering higher rents than others are able to in order to place people in temporary accommodation.

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### 6. Current Model of Asylum Accommodation

6.1 Extra pressure has been felt by local authorities, particularly in more urbanised settings, in regard to asylum accommodation programmes and disproportionate dispersal where there are already intense pressures on accommodation and what is available. Significant proportions of households in temporary accommodation and rough sleeper services have been through the asylum system which is financially costly to the local authority. Particular challenges have been felt by the council after the decision -and subsequent reversal – by the previous Government to reduce the time frame for refugees leaving asylum accommodation to 7 days. This left local authorities with no time to plan for provisioning with many unintended consequences for the council whose legacy is still being felt in terms of temporary housing provision – Salford Council for instance were forced to set up an expensive emergency welfare hub due to the number of people presenting so quickly.

6.2 Other pressures are also felt for councils where the arrival of family members usually requires alternative accommodation, most often under a statutory duty. For instance, when the cases moving into statutory temporary accommodation between April and September as a result of family reunions were examined, 88% of them had not had their asylum decision in Salford. This means also picking up high numbers who would be expected to be seeking their accommodation in the borough of their decision. The funding to address such issues is already extremely low which is then compounded by this.

6.3 It is therefore imperative that any future policy changes are robustly countered with scenario planning and appropriate financial provision given to local authorities to support this. For instance, the Homes for Ukraine Scheme has been highlighted as a good example of national government working with local authorities to provide holistic support to councils and households in need.

### 7. Recommendations:

7.1 Given the increasing pressures on councils, there are a number of ways in which the Department and Government in general can provide increased support to local authorities including:

- Homelessness prevention – as a statutory duty for councils under the 2017 Act – to ideally be seen as part of the local government core funding model.
- Sustainable funding for Housing First models to augment an intensive preventative approach to homelessness in the long term.
- Designing services and funding models in coordination with local authorities, including accounting for the differing needs of homeless households and taking a public health approach to this. The 'Everyone In' initiative during the COVID-19 pandemic has been highlighted as representing a public health-led approach with investment focused on getting people off the streets and tackling homelessness.
- Lessening of restrictions for local authority in terms of how to spend homelessness funding.
- Development of a best practice hub where local authorities can share models of best practice with similar councils and utilise the expertise of the third sector.
- Emphasising collaboration across regional networks and underscoring the importance of this to homelessness prevention and support to connect resources, pool best practice and ensure a sharing of resources where possible and a joined up approach between preventative models and affordable house building targets.

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