

CYNGOR SIR POWYS COUNTY COUNCIL

**County Council
19th October 2017**

REPORT AUTHOR: Portfolio Holder for Housing and Countryside Services

SUBJECT: County Councillor Matthew Dorrance

Question

What consideration has the Cabinet given to the impact of changes by the UK Tory Government to the Local Housing Allowance on homelessness levels in Powys?

Answer

The Cabinet is aware of the existing changes to the Local Housing Allowance (LHA) which have restricted people aged under 35 to the shared accommodation rate (SAR) and have considered the impact of this change to the Benefit regulation and the extension of the LHA rate to the social housing sector in April 2019 to the level of homelessness in Powys. These considerations are part of the budget setting process as we recognise the need to ensure that we allocate sufficient resources to the administration of the council's corporate homelessness responsibilities.

The extension of the SAR to people aged under 35 has had an uneven impact on homelessness across Powys and across the UK. In areas where there is a limited supply of shared accommodation and relatively high rent levels, the impact of this measure has resulted in an increase in homelessness and rough sleeping, particularly if individuals are unwilling to move to communities where a supply of such accommodation exists and rent levels are more affordable. In Cllr Matthew's home town we have recently experienced an increase in the number of people who are rough sleeping because of the relatively short supply of shared accommodation, the rent levels in Brecon being significantly higher than the LHA SAR rate and their unwillingness to move to other communities. I can assure Cllr Matthew that Officers continue to work with rough sleepers who are willing to engage with the service and are usually able to secure them accommodation.

A further challenge to the authority is the extension of LHA rates to the social housing sector in 2019, which is likely to see a significant increase in rent arrears within the Housing Revenue Account (HRA) and housing association housing stock which is likely to lead to an increase in homelessness presentations, as well as creating affordability difficulties for many households across the county. This too will be considered by the Cabinet when the HRA rents are set for the next financial year.

In addition, at a meeting of the Wales Housing Cabinet Members Network Meeting held last week, I along with all other Cabinet Members present at the meeting agreed to send a letter to the Secretary of State for the Department for Work and Pensions asking him to reconsider the roll out of full service Universal Credit and the changes to the LHA in recognition of the problems that these changes are having nationwide and the resulting increase in rough sleeping.