

Liberal Democrat minority party debate on homelessness

20th June 2000

Background notes and cost-benefit analysis

The motion:

NDM325 Peter Black (South Wales West)

"This Assembly resolves to instruct the Assembly Secretary for Local Government and Housing to bring forward within 4 months a draft Order under Section 189 of the Housing Act 1996 to extend the categories of homeless people who are regarded as being in priority need of accommodation to include the following people:

- homeless people aged 16-18
- care leavers
- prisoners immediately after being released from custody who have no accommodation to return to
- people leaving the armed services who have no accommodation to go to
- people fleeing from violence and harassment.

The Order to apply to the whole of Wales. Preparation work to commence immediately."

Cost-Benefit Analysis

Objectives:

- To establish in legislation the principle that the key groups of vulnerable people listed in the motion are in priority need of housing
- To ensure that the groups listed are properly housed

Estimate of the numbers of people likely to be effected:

The Assembly has published the following homelessness statistics, which are generally acknowledged to be an underestimate of real number of homeless people in Wales.

Homelessness

	1996	1997	1998	1999
Local authority vacant dwellings (1 April)	3,489	4,722	5,422	6,475

Homelessness decisions taken:

Ineligible household	. 208	41	.
Eligible, but not homeless	. 4,485	5,301	.
Eligible, homeless but not in priority need	. 3,995	3,578	.
Eligible, homeless and in priority need but intentionally so	. 343	380	.
Eligible, unintentionally homeless and in priority need	. 4,297	4,371	.

. = not applicable

Statistics from other sources are patchy, but the following examples are relevant:

- Shelter Cymru have estimated that over 50,000 people in Wales experience homelessness in one form or another each year
- Shelter Cymru services, currently operating in about half of all Welsh local authority areas, assist between 10 and 12 people aged 16 or 17 who are facing or actually experiencing homelessness every month

- During 1998-99 the 42 refuges run by Cymorth i Ferched Cymru-Welsh Women's Aid accommodated 2,165 women and 3,185 children. (The organisation believes this to be an underestimate of actual numbers as some local groups have not submitted reports of number of people they accommodated)

Legislative background:

The motion refers to Section 189 of the Housing Act 1996 which deals with priority need for accommodation. The categories listed at present are:

“(1) The following have a priority need for accommodation:

- (a) a pregnant woman or a person with whom she resides or might reasonably be expected to reside;
- (b) a person with whom dependent children reside or might reasonably be expected to reside;
- (c) a person who is vulnerable as a result of old age, mental illness or handicap or physical disability or other special reason, or with whom such a person resides or might reasonably be expected to reside;
- (d) a person who is homeless or threatened with homelessness as a result of an emergency such as flood, fire or other disaster.

The Assembly can add to these categories:

“(2) The [Assembly] may by order:

- (a) specify further descriptions of persons as having a priority need for accommodation, and
- (b) amend or repeal any part of subsection (1).”

Subject to the following condition:

“(3) Before making such an order the [Assembly] shall consult such associations representing relevant authorities, and such other persons, as [it] considers appropriate.”

The intention of the motion is to extend add to the current categories to take into account other people who are in genuine priority need who are not covered by the 1996 Act. The first four categories in the motion in particular include a significant portion of those sleeping rough, and this motion is intended as a contribution to the reduction of rough sleeping in Wales.

Policy Background:

The motion accords with the following documents which refer to the need to extend the present range of priority need categories:

- LGE-10-99(p.2) Annex *Rough Sleeping in Wales* refers to rough sleepers
- LGH-03-00(p.1) Annex 4 *National Housing Strategy Task Group 4 – Ensuring decent housing for all – meeting the requirements of vulnerable households -Final Report to the National Assembly for Wales* refers to young people, care leavers, and people fleeing from violence and harassment
- Shelter Cymru’s October 1999 document *What the Assembly can do: a Summary of Shelter Cymru’s Proposals for Change* refers to prisoners immediately after release, and people fleeing from violence and harassment
- The Assembly’s February 2000 draft consultation on the *Code of Guidance for Local Authorities on Allocation of Accommodation and Homelessness* refers to young people, young care leavers and victims of violence and/or harassment as possibly being in priority need under the “other special reason” category in Section 189(1)(c) of the 1996 Act
- The motion accords with *betterwales.com*, which refers to “the need for rough sleeping to be eliminated”, and also pledges “a one off allocation to local councils to tackle the problem of rough sleeping and homelessness”
- The motion also accords with the Assembly’s general commitment to reduce social exclusion

Range of possible options for dealing with the issues raised in the motion:

See attached table in **Appendix 1**

Summary justification:

The first 4 categories of people named in the motion form a significant portion of those sleeping rough. By designating these categories as being in priority need of housing, we will contribute to reducing the level of rough sleeping in Wales.

Reducing rough sleeping leads to reduced costs in terms of:

- Policing
- Locating and supporting people sleeping rough. (This cost obviously has to be set against the cost of housing people and supporting them when housed).
- Medical provision for illnesses brought on by sleeping rough

All five categories noted in the motion could be regarded as being in need of special assistance:

- Young people face the greatest difficulties in acquiring and maintaining accommodation
- Care leavers, released prisoners and recently discharged ex-service personnel are all to differing extents involved in a difficult transition from an institutional to a non-institutional life
- Care leavers are often also vulnerable because of their young age
- People fleeing from violence and harassment will be distressed and in need of a secure home-base from which to rebuild their lives

Outline plan of action:

- 4 months is allowed for any further consultation as may be necessary. Significant consultation on housing and homelessness is already taking place or is in the pipeline, and so it is not clear what additional consultation is needed
- As noted in the motion, any preparation work should commence immediately
- Assembly Secretary for Housing to present a draft Order to Plenary for approval within 4 months. There will then be an opportunity to amend the order in the Chamber if necessary
- If passed the Order will need to be accompanied by guidance on implementation for local authorities

Summary of costs:

See attached table in **Appendix 2**

Appendix 1 Range of possible options

Objectives	Option 1: Do nothing: leave local authorities to set their own priorities	Option 2: Await completion of planned consultation on the Assembly's Housing Strategy	Option 3: Local authorities to review their own guidelines	Option 4: Assembly to issue new guidelines to local authorities	Option 5: Present new subordinate legislation
Establish in legislation the principle that the key groups of vulnerable people listed in the motion are in priority need of housing	Does not realise this aim	May lead to partial achievement of this aim, depending on results of consultation. Would delay the realisation of this aim by several months	Does not realise this aim. Could go some way towards standardising practice but would lack statutory force	Does not realise this aim. Would standardise practice but would lack statutory force	Fully realises this aim in Wales. Questions will then arise about whether the principle established in legislation in Wales should be adopted in rest of UK
Ensure that the groups listed are properly housed (In the case of all 5 Options listed, the full realisation will depend on proper allocation of resources)	May lead to realisation or partial realisation of this aim, but would not ensure all-Wales consistency	May lead to achievement or partial achievement of this aim depending on results of consultation. Would delay the realisation of this aim by several months	May lead to realisation or partial realisation of this aim. Would not ensure all-Wales consistency, and would lack statutory force	Could realise this aim, but would lack statutory force	Could realise this aim, dependent on proper resource allocation and improved management of housing stock

Appendix 2 Summary of Costs

Cost Category (annual costs except where stated)	Option 1: Do nothing: Leave local authorities to set their own priorities	Option 2: Await completion of planned consultation on the Assembly's Housing Strategy or a Housing Green Paper	Option 3: Local authorities to review their own guidelines	Option 4: Assembly to issue new guidelines to local authorities	Option 5: Present new subordinate legislation
Direct costs (Costs falling on the Assembly which are directly attributable to the option)	No costs falling on the Assembly	Initial costs would be marginal as the consultation exercise and Green Paper would take place in any case. In the longer term if legislation was the outcome of the consultation or Green Paper, costs would be similar to option 5,	Cost of Assembly staff preparing limited revised guidance to Local Authorities asking them to review their guidelines.	Cost of Assembly staff devising and providing more extensive guidance to Local Authorities, instructing them to standardise their guidelines Translation, printing and publicity costs	Staff costs approx £15,000 (around 90 days), for consulting on draft legislation and preparing legislation for consideration by the Assembly Translation, printing and publicity costs unquantified but limited, likely to be less than £5,000
Indirect costs (Costs falling on the Assembly which cannot be directly attributed.)		Accommodation costs. In- house copying, telephones, lighting etc	Accommodation costs. In- house copying, telephones, lighting etc	Accommodation costs. In- house copying, telephones, lighting etc	Accommodation costs. In- house copying, telephones, lighting etc
Opportunity costs	Minimal	Limited Assembly executive staff time	Limited Assembly executive staff time	Assembly executive staff time	Plenary Costs – Assembly staff time (inc Legal, Committee Sec, Chamber Sec, ROP, Translation)
Other costs (including costs falling on other bodies and unquantified	Ongoing costs for all agencies dealing with existing population of	Ongoing costs for all agencies dealing with existing population of	The policy would have a more limited effect than options 4 and 5 - there	The policy would have a more limited effect than option 5 – there would	The policy would not eliminate rough sleeping or homelessness – but

costs)	rough sleepers and other homeless groups – Police, voluntary sector groups , Local Authorities and their partners	rough sleepers and other homeless groups– Police, voluntary sector groups , Local Authorities and their partners	would continue to be ongoing costs for the local agencies dealing with rough sleepers and other homeless groups Cost for Local Authorities of preparing and implementing new guidelines	continue to be ongoing costs for agencies dealing with rough sleepers and other homeless groups Cost for Local Authorities of implementing new Assembly guidelines	would reduce the number of individuals in this situation, and reduce the costs for Local Agencies dealing with homelessness. The costs of supporting the new groups of vulnerable individuals identified in the legislation would fall to local authority revenue rather than capital budgets. Some of those identified would have been housed in any case - the legislation will increase their priority within the system. The cost of supporting a vulnerable individual in social housing is estimated to be £3,500 per annum. If there were an additional 500 individuals to house the annual cost would be £1.75 million
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