

Distribution Sub-Group (2018) Paper 22 – Homelessness Indicator

This discussion paper has been written by officials of the Welsh Government. Ministers have not had an opportunity to comment on the contents. Exemplifications of changes are provided simply to inform discussion by DSG members. They are not Welsh Government proposals or statements of Government policy for or against changes.

Homelessness Indicator

Summary

1. This paper follows on from DSG (2018) paper 10 and considers the Non-HRA housing Indicator Based Assessment (IBA) formula in the calculation of the Settlement for 2019-20 and beyond.
2. The group are provided with a series of exemplifications in the analysis section demonstrating the impact of the potential change to the homelessness indicator, compared to the frozen data used in the 2017-18 and 2018-19 settlements.

Views sought

3. Members are asked to agree a distribution method for the homelessness element of the Non-HRA housing IBA for the 2019-20 Settlement and beyond.

Background

4. The current formula for distribution of the current Non-HRA housing IBA is below:

Weight	Indicator
0.313 x	Total homelessness decisions
0.292 x	All dwellings
0.232 x	Housing General Capital Funding
0.163 x	Housing benefits recipients

5. In 2018-19, the Non-HRA housing IBA distributed £33.5 million of Standard Spending Assessment (SSA).
6. In 2017-18, £6 million was included in the Settlement for homelessness prevention, with an additional £6 million included for 2018-19, bringing the total amount of additional funding for homelessness prevention up to £12 million, distributed on the non-HRA housing IBA.
7. This paper does not include any analysis on the additional £12 million and focusses solely on the non-HRA housing IBA.
8. DSG (2016) paper 04 presented a number of options for the approach to the Non-HRA housing IBA in the 2017-18 Settlement for DSG members to consider. This

Distribution Sub-Group (2018) Paper 22 – Homelessness Indicator

resulted in a decision to continue with the existing formula and freeze the total homelessness decisions data (3-year average from 2012-13 to 2014-15).

9. The above approach was used in the calculation of the 2018-19 Settlement, allowing time for local authorities to adjust to the new homelessness legislation and for the new data collection to embed.
10. It is not possible to directly compare the number of 'homeless households' collected under the current and previous legislations.
11. In August 2016, when the new homelessness data was published for the first time, there were concerns regarding the quality and accuracy of the data. In the light of these concerns, the Homelessness Statistics data for 2015-16 were temporarily de-designated from National Statistics, by the UK Statistics Authority.
12. Welsh Government colleagues in the Knowledge and Analytical Services (KAS) branch continued to work closely with local authorities resolving issues with data recording and data quality since the introduction of the new legislation.
13. They are now confident that the quality and accuracy issues previously experienced have been resolved and, following discussions with the Office for Statistics Regulation (the regulatory arm of the UK Statistics Authority), the temporary National Statistics de-designation came to an end in July 2017. Therefore, by the publication of the 2019-20 Provisional Settlement there are 2 years of robust data (2016-17 and 2017-18) available.
14. Under the new legislation it is possible for a single household to have up to three separate outcomes depending on the duty owed under the act. The flowchart in annex A outlines the assessment process.
15. As discussed at the July 2018 DSG there are now multiple different options to distribute the funding, with data available on both outcomes and prevention/relief: Section 66, Section 73, Section 75 or a combination of all three.
16. The total outcomes figure includes cases which are subsequently deemed "ineligible" or "eligible but not threatened with homelessness". The proportion of these – "ineligible" or "eligible but not threatened" – varies considerably between local authorities, so there are inconsistencies in the way local authorities are implementing/interpreting the legislation, or recording outcomes (see Annex B).

Analysis

Option 1: All homelessness outcomes

17. Table 1 demonstrates the change in distribution to the Non-HRA IBA when the "total outcomes" are used. As this "all outcomes" category includes those recorded as

Distribution Sub-Group (2018) Paper 22 – Homelessness Indicator

“ineligible” or “eligible but not homeless or threatened with homelessness”, this data source will be influenced by inconsistencies in local authority implementation / interpretation of the legislation.

18. This option results in a large monetary decrease in Swansea and Cardiff, due to their high share of the current indicator. Caerphilly and Flintshire have the largest monetary increases.

Table 1: Exemplification of current weightings for Non HRA Housing Formula (using 2018-19 Settlement and all homelessness outcomes 2 year average)

UA	Non-HRA Housing Formula (2018-19 settlement)	Formula weights:				£'000		
		29.20%	31.30%	23.20%	16.30%			
		All outcomes data (2 year average - Housing Benefits Recipients)				New non-HRA Housing distribution (2018-19 settlement)		Change (£000s)
		Domestic Dwellings	2016-17,	Housing GCF	Housing Benefits Recipients	% share		
Isle of Anglesey	667	34,970	471	860	4,883	2.0%	676	10
Gwynedd	1,187	61,730	516	1,839	7,708	3.3%	1,115	-71
Conwy	1,116	56,980	1,089	1,739	8,524	3.9%	1,292	176
Denbighshire	866	44,560	839	1,406	7,982	3.1%	1,044	178
Flintshire	1,098	68,050	1,020	1,751	9,143	4.1%	1,359	261
Wrexham	1,320	60,110	1,415	1,675	10,735	4.4%	1,471	150
Powys	1,155	64,460	540	1,767	7,465	3.4%	1,125	-30
Ceredigion	903	35,450	501	1,551	4,241	2.4%	799	-104
Pembrokeshire	1,295	61,320	1,010	1,651	8,786	3.8%	1,283	-12
Cardiganshire	2,227	86,920	2,094	2,994	12,790	6.5%	2,184	-43
Swansea	4,137	112,050	2,652	3,529	20,543	8.5%	2,832	-1,306
Neath Port Talbot	1,593	65,800	1,307	2,837	13,414	5.2%	1,739	146
Bridgend	1,315	63,620	1,203	1,936	11,135	4.4%	1,474	159
Vale of Glamorgan	1,056	57,530	924	1,514	8,415	3.6%	1,193	137
Rhondda Cynon Taf	2,216	108,860	1,683	3,752	19,174	7.4%	2,466	250
Merthyr Tydfil	609	27,180	507	813	5,466	1.9%	641	32
Caerphilly	1,576	78,890	1,776	2,336	14,804	5.8%	1,942	366
Blaenau Gwent	934	32,580	660	1,024	7,397	2.4%	815	-119
Torfaen	938	41,140	1,088	1,545	8,495	3.4%	1,147	209
Monmouthshire	828	41,580	665	1,052	4,848	2.5%	825	-2
Newport	1,789	67,000	2,337	1,975	13,198	5.9%	1,963	174
Cardiff	4,668	153,530	4,548	4,025	29,873	12.3%	4,108	-561
Wales	33,494	1,424,310	28,842	43,571	239,016	100.0%	33,494	0

Option 2: Outcomes from only sections 66, 73 and 75

19. To remove those cases which are “subsequently deemed ineligible or eligible but not those threatened with homelessness” in the total outcomes (option 1), the individual section outcomes data (section 66, 73, and 75) can be added together to remove the effect previously described in option 1.

Distribution Sub-Group (2018) Paper 22 – Homelessness Indicator

20. If only one of the sections were to be used to distribute the funding, it could be deemed as placing more importance over one of the sections over the others.

21. With this option, once again, Swansea's monetary share of the indicator decreases considerably.

Table 2: Exemplification of current weightings for Non HRA Housing Formula (using 2018-19 Settlement and the sum of the homelessness outcomes (section 66, 73, 75) 2 year average)

UA	Non-HRA Housing Formula 2018-19 settlement	Formula weights:				Housing Benefits Recipients	New non-HRA Housing % distribution (2018-19 settlement)	£'000	
		29.20%	31.30%	23.20%	16.30%			Change (£000s)	
		Outcomes (2 year average - Domestic Dwellings	2016-17 and 2017-18)	GCF					
Isle of Anglesey	667	34,970	342	860	4,883	2.0%	665	-2	
Gwynedd	1,187	61,730	486	1,839	7,708	3.4%	1,155	-31	
Conwy	1,116	56,980	912	1,739	8,524	3.9%	1,323	207	
Denbighshire	866	44,560	761	1,406	7,982	3.3%	1,095	229	
Flintshire	1,098	68,050	854	1,751	9,143	4.1%	1,388	290	
Wrexham	1,320	60,110	1,032	1,675	10,735	4.3%	1,440	119	
Powys	1,155	64,460	477	1,767	7,465	3.4%	1,152	-3	
Ceredigion	903	35,450	411	1,551	4,241	2.4%	809	-94	
Pembrokeshire	1,295	61,320	840	1,651	8,786	3.9%	1,309	14	
Carmarthenshire	2,227	86,920	1,394	2,994	12,790	6.2%	2,075	-152	
Swansea	4,137	112,050	1,583	3,529	20,543	7.8%	2,609	-1,529	
Neath Port Talbot	1,593	65,800	977	2,837	13,414	5.1%	1,721	128	
Bridgend	1,315	63,620	966	1,936	11,135	4.4%	1,489	174	
Vale of Glamorgan	1,056	57,530	917	1,514	8,415	3.8%	1,286	230	
Rhondda Cynon Taf	2,216	108,860	1,281	3,752	19,174	7.3%	2,454	238	
Merthyr Tydfil	609	27,180	341	813	5,466	1.8%	616	7	
Caerphilly	1,576	78,890	1,166	2,336	14,804	5.5%	1,842	266	
Blaenau Gwent	934	32,580	555	1,024	7,397	2.5%	835	-99	
Torfaen	938	41,140	839	1,545	8,495	3.4%	1,145	207	
Monmouthshire	828	41,580	476	1,052	4,848	2.4%	806	-21	
Newport	1,789	67,000	1,767	1,975	13,198	5.8%	1,941	151	
Cardiff	4,668	153,530	4,026	4,025	29,873	13.0%	4,339	-330	
Wales	33,494	1,424,310	22,398	43,571	239,016	100.0%	33,494	0	

Option 3: Total prevention/relief

22. This option looks at the distributional impact through using the total (combined section 66, 73 and 75) prevention/relief.

23. Again, for this option there is a large monetary decrease for Swansea and Cardiff, even though they still have two highest percentage of the of the overall Wales share (8.3% and 12.7%, respectively).

24. Rhondda Cynon Taf and Caerphilly had the largest monetary increase.

Distribution Sub-Group (2018) Paper 22 – Homelessness Indicator

25. This data item is based on number of preventions/relief provided by an authority, DSG are asked to consider the appropriateness of using this as an indicator.

Table 3: Exemplification of current weightings for Non HRA Housing Formula (using 2018-19 Settlement and total homelessness prevention/relief 2 year average

UA	Non-HRA Housing Formula 2018-19 settlement	Formula weights:				Housing Benefits Recipients	New non-HRA Housing % distribution (2018-19 settlement)	Change (£000s)
		29.20%	31.30%	23.20%	16.30%			
		Domestic Dwellings	Prevention / Relief (2 year average - 2016-17 and 2017-18)	Housing GCF				
Isle of Anglesey	667	34,970	206	860	4,883	2.0%	682	15
Gwynedd	1,187	61,730	336	1,839	7,708	3.6%	1,217	31
Conwy	1,116	56,980	459	1,739	8,524	3.9%	1,292	176
Denbighshire	866	44,560	357	1,406	7,982	3.1%	1,047	181
Flintshire	1,098	68,050	485	1,751	9,143	4.2%	1,406	308
Wrexham	1,320	60,110	605	1,675	10,735	4.4%	1,478	157
Powys	1,155	64,460	245	1,767	7,465	3.4%	1,139	-16
Ceredigion	903	35,450	242	1,551	4,241	2.5%	825	-78
Pembrokeshire	1,295	61,320	539	1,651	8,786	4.1%	1,380	85
Carmarthenshire	2,227	86,920	725	2,994	12,790	6.1%	2,047	-179
Swansea	4,137	112,050	1,047	3,529	20,543	8.3%	2,770	-1,367
Neath Port Talbot	1,593	65,800	486	2,837	13,414	5.0%	1,683	90
Bridgend	1,315	63,620	521	1,936	11,135	4.4%	1,485	170
Vale of Glamorgan	1,056	57,530	549	1,514	8,415	4.0%	1,330	274
Rhondda Cynon Taf	2,216	108,860	807	3,752	19,174	7.6%	2,550	334
Merthyr Tydfil	609	27,180	147	813	5,466	1.7%	583	-26
Caerphilly	1,576	78,890	710	2,336	14,804	5.7%	1,908	332
Blaenau Gwent	934	32,580	294	1,024	7,397	2.5%	829	-106
Torfaen	938	41,140	348	1,545	8,495	3.1%	1,052	114
Monmouthshire	828	41,580	273	1,052	4,848	2.4%	819	-8
Newport	1,789	67,000	713	1,975	13,198	5.2%	1,728	-62
Cardiff	4,668	153,530	2,076	4,025	29,873	12.7%	4,243	-425
Wales	33,494	1,424,310	12,165	43,571	239,016	100.0%	33,494	0

Option 4: Split between outcomes and prevention

26. Currently the frozen total homeless decision data is used to distribute 31.3% of the Non-HRA IBA. This could be split in half to focus equally on outcomes and prevention/relief

27. Table 4, looks at the impact of this splitting the indicator into two, to use both the outcome and the sum of the prevention section data to distribute funding (combining options 2 and 3).

28. As the other exemplifications, Swansea loses the largest, in monetary terms.

Distribution Sub-Group (2018) Paper 22 – Homelessness Indicator

Table 4: Exemplification of current weightings for Non HRA Housing Formula (using 2018-19 Settlement and homelessness outcomes and prevention/relief 2 year average)

		Formula weights:					£'000		
		29.20%	15.65%	15.65%	23.20%	16.30%			
UA	Non-HRA Housing Formula 2018-19 settlement	Domestic Dwellings	Outcomes (2 year average - 2016-17 and 2017-18)	Prevention / Relief (2 year average - 2016-17 and 2017-18)	Housing GCF	Housing Benefits Recipients	% share	New non-HRA Housing distribution (2018-19 settlement)	Change (£000s)
Isle of Anglesey	667	34,970	342	206	860	4,883	2.0%	674	7
Gwynedd	1,187	61,730	486	336	1,839	7,708	3.5%	1,186	0
Conwy	1,116	56,980	912	459	1,739	8,524	3.9%	1,307	192
Denbighshire	866	44,560	761	357	1,406	7,982	3.2%	1,071	205
Flintshire	1,098	68,050	854	485	1,751	9,143	4.2%	1,397	299
Wrexham	1,320	60,110	1,032	605	1,675	10,735	4.4%	1,459	138
Powys	1,155	64,460	477	245	1,767	7,465	3.4%	1,145	-9
Ceredigion	903	35,450	411	242	1,551	4,241	2.4%	817	-86
Pembrokeshire	1,295	61,320	840	539	1,651	8,786	4.0%	1,345	50
Carmarthenshire	2,227	86,920	1,394	725	2,994	12,790	6.2%	2,061	-166
Swansea	4,137	112,050	1,583	1,047	3,529	20,543	8.0%	2,689	-1,448
Neath Port Talbot	1,593	65,800	977	486	2,837	13,414	5.1%	1,702	109
Bridgend	1,315	63,620	966	521	1,936	11,135	4.4%	1,487	172
Vale of Glamorgan	1,056	57,530	917	549	1,514	8,415	3.9%	1,308	252
Rhondda Cynon Taf	2,216	108,860	1,281	807	3,752	19,174	7.5%	2,502	286
Merthyr Tydfil	609	27,180	341	147	813	5,466	1.8%	599	-9
Caerphilly	1,576	78,890	1,166	710	2,336	14,804	5.6%	1,875	299
Blaenau Gwent	934	32,580	555	294	1,024	7,397	2.5%	832	-103
Torfaen	938	41,140	839	348	1,545	8,495	3.3%	1,098	160
Monmouthshire	828	41,580	476	273	1,052	4,848	2.4%	813	-15
Newport	1,789	67,000	1,767	713	1,975	13,198	5.5%	1,834	45
Cardiff	4,668	153,530	4,026	2,076	4,025	29,873	12.8%	4,291	-377
Wales	33,494	1,424,310	22,398	12,165	43,571	239,016	100.0%	33,494	0

Option 5 - Freeze the historic data for additional year

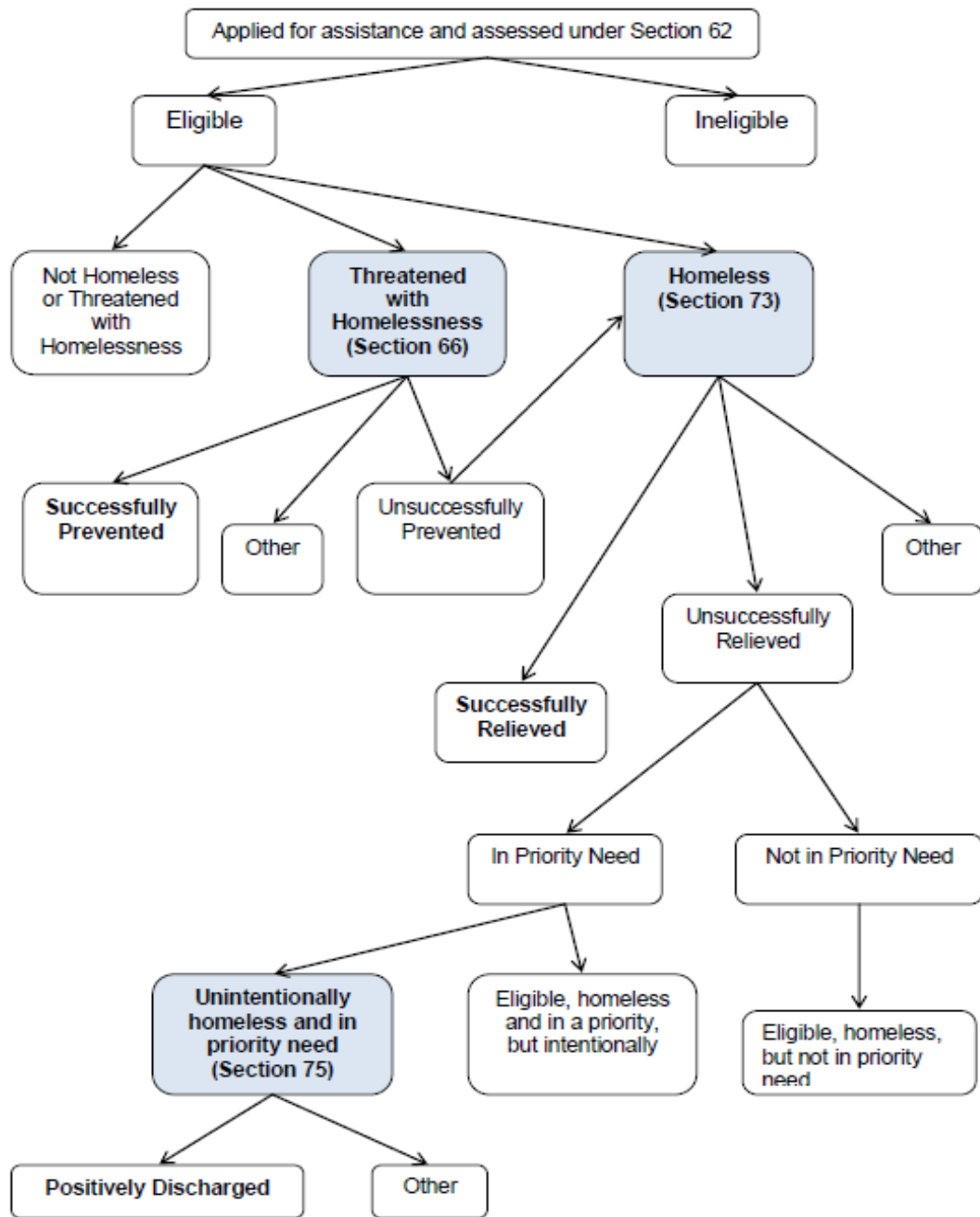
29. If DSG consider the new data not to be of sufficient quality or appropriate, then the data can be frozen for an additional year, to give the group further time to re-asses the data source ahead of the 2020-21 settlement. The weightings of the Non-HRA IBA are also scheduled to be revisited, to ensure the weighting represents the need to spend of the IBA and the impact of the distribution of the additional £12million for 2020-21.

Conclusion

30. DSG members are asked to discuss the possible options outlined in this paper and agree an approach for 2019-20 and beyond.

**Local Government Finance and Workforce Partnerships Division
Welsh Government**

Assessment process for homelessness decisions



1 - 'Other' includes assistance refused, non co-operation and other reasons

Distribution Sub-Group (2018) Paper 22 – Homelessness Indicator

Annex B

Area		Outcomes															Total Outcomes
Total prevention / Relief		Total Outcomes															Total Outcomes
Ineligible households		Number of outcomes - Eligible, threatened with homelessness, prevention assistance provided (Section 66)															Total Outcomes
Eligible, but not homeless or threatened with homelessness																	Total Outcomes
		Successful prevention - Eligible, threatened with homelessness, prevention assistance provided (Section 66)	Unsuccessful prevention - Eligible, threatened with homelessness, prevention assistance provided (Section 66)	Assistance Refused - Eligible, threatened with homelessness, prevention assistance provided (Section 66)	Non co-operation - Eligible, threatened with homelessness, prevention assistance provided (Section 66)	Application Withdrawn - Eligible, threatened with homelessness, prevention assistance provided (Section 66)	Application withdrawn due to loss of contact - Eligible, threatened with homelessness, prevention assistance provided (Section 66)	Other Reasons - Eligible, threatened with homelessness, prevention assistance provided (Section 66)	Number of outcomes - Eligible, threatened with homelessness, prevention assistance provided (Section 66)	Number of outcomes - Eligible, homeless, subject to duty to help to secure (Section 73)	Number of outcomes - Eligible, homeless but not in priority need	Number of outcomes - Eligible, homeless and in a priority need but intentionally so	Number of outcomes - Eligible, unintentionally homeless and in priority need (Section 75)				
Wales		3,252	96	1,149	1,593	396	48	78	81	213	15	2,454	2,760	378	57	672	7,566
Wales	Isle of Anglesey	27	*	9	15	*	*	*	*	*	*	18	30	3	*	*	60
	Gwynedd	93	*	15	27	9	*	*	*	6	*	39	69	12	*	15	147
	Conwy	111	*	6	48	15	*	*	*	6	*	72	96	12	*	27	213
	Denbighshire	132	*	*	51	15	*	*	*	*	*	72	135	12	*	21	240
	Flintshire	132	3	63	54	15	3	*	6	12	*	126	144	18	*	27	381
	Wrexham	120	3	51	27	60	*	6	*	*	*	96	168	*	12	*	330
	Powys	54	*	6	21	3	*	*	*	*	*	27	69	6	*	24	132
	Ceredigion	51	*	18	30	*	*	*	3	*	*	36	42	*	*	3	102
	Pembrokeshire	123	*	18	78	6	*	3	3	9	*	99	84	15	3	15	234
	Cardiff	213	*	111	90	48	*	*	*	3	*	144	243	51	6	54	609
	Swansea	261	6	342	207	6	18	*	12	54	3	300	93	12	*	15	768
	Neath Port Talbot	171	*	81	60	27	*	*	12	*	*	99	207	48	*	18	453
	Bridgend	132	*	45	63	18	6	6	6	*	*	99	153	42	6	27	375
	Vale of Glamorgan	108	*	*	39	9	*	*	*	*	*	51	69	*	*	30	150
	Cardiff	705	39	36	360	78	*	*	6	18	*	468	498	30	*	186	1,251
	Rhondda Cynon Taf	228	*	87	135	9	12	6	6	18	*	186	159	*	*	15	450
	Merthyr Tydfil	45	*	12	21	3	*	3	*	*	*	30	63	18	9	6	141
	Caerphilly	177	12	213	126	3	*	21	*	6	3	165	63	*	*	42	495
	Blaenau Gwent	54	*	18	9	*	*	12	6	60	*	87	72	3	*	15	195
	Torfaen	51	9	3	33	18	*	*	3	3	*	60	54	21	9	6	162
Monmouthshire	81	12	*	45	9	*	9	3	*	*	66	69	6	6	9	171	
Newport	180	9	12	60	39	*	6	*	6	*	111	183	72	3	114	504	

Recent related papers

Distribution sub-group (2018)

- Paper 10: Non-HRA housing formula

Distribution sub-group (2016)

- Paper 04: Non-HRA housing formula

Distribution sub-group (2015)

- Paper 13: Non-HRA housing formula

Distribution sub-group (2011)

- Paper 30: Non-HRA housing formula

Distribution sub-group (2011)

- Paper 22: Non-HRA housing formula

Distribution sub-group (2011)

- Paper 17: Non-HRA housing formula

Distribution sub-group (2011)

- Paper 12: Non-HRA housing formula

Distribution sub-group (2010)

- Paper 40: Non-HRA housing formula

Distribution sub-group (2008)

- Paper 16: Non-HRA housing formula

Distribution sub-group (2007)

- Paper 40: Reviewing the non HRA housing service formula

Distribution sub-group (2006)

- Paper 24: Reviewing the Non-HRA SSA formula
- Paper 12: Reviewing the Non-HRA SSA formula
- Paper 20: Reviewing the Non-HRA service formula