

MAIDSTONE BOROUGH COUNCIL

HOUSING CONSULTATIVE BOARD

30 JANUARY 2012

REPORT OF HEAD OF HOUSING AND COMMUNITY SERVICES

Report prepared by Neil Coles

1. Options for responding to the demand for temporary accommodation and B&B under homelessness obligations

1.1 Issue for Decision

1.1.1 To consider the options available to the Council to respond to the increased demand for temporary accommodation from homeless families.

1.2 Recommendation of the Head of Housing and Community Services

1.2.1 That the Housing Consultative Board note the options detailed in this report.

1.3 Reasons for Recommendation

1.3.1 The council is required to provide temporary accommodation for certain households who are considered to be homeless and may have a 'priority need'.

1.3.2 Households are considered to be in priority need if they include one or more dependent children, or if a member of the household is 'vulnerable', e.g. pregnant, 16/17 year-old, has mental health vulnerabilities, fleeing violence or threats of violence etc.

1.3.3 Where households present to the council as homeless and are considered to be in priority need, the council is required to provide temporary accommodation while a homelessness investigation takes place into whether they made themselves homeless and if they have a local connection to this area.

1.3.4 Where the council considers that the household is intentionally homeless or does not have a priority need following the investigation, the council is still required to provide temporary accommodation for a reasonable period to enable the household to

find alternative accommodation, and currently the council provides temporary accommodation for, on average, a further 21 days.

1.3.5 The council currently provides temporary accommodation in a range of self-contained, shared, and bed and breakfast type accommodation with some accommodation leased directly from the owners, and the remaining accommodation occupied on a nightly-let basis.

1.3.6 The council aims to provide temporary accommodation within Maidstone, however as demand for the service has grown it has become increasingly difficult to procure temporary accommodation locally and it is often the case that accommodation is provided outside of the local Maidstone area. This has further been exasperated by neighbouring local authorities having no bed and breakfast accommodation in their own area placing their homeless applicants in accommodation located in Maidstone.

Demand for temporary accommodation

1.3.7 The current economic climate has seen a continued increase in demand for homelessness services during 2011/12, and demand for temporary accommodation is similarly on the rise.

1.3.8 Since April 2011, 62% of people coming into the Gateway for housing advice needed to make a homeless application compared with 24% for the same period a year earlier.

1.3.9 As the economic climate continues to contribute to increased levels of hardship, it is expected that the number of households presenting to the council as being threatened with homelessness will continue to rise.

1.3.10 It is also expected that during 2012/13 the full impact of the housing benefit changes will result in tenant migration from London into Kent which will ultimately result in the displacement of Maidstone residents and further contribute to the incidence of homelessness.

1.3.11 The continued economic climate is also a driver for increased levels of domestic abuse which places further pressure on the demand for temporary accommodation. Early analysis of the factors that might be contributing to the increase include mortgage arrears and changes to the benefits regime which is leading to younger generations within households being made homeless, as the family income is reduced.

1.3.12 During the period Q1-Q3 2011/12 the council has provided temporary accommodation to some 94 households and this

equates to an estimated 125 households for 2011/2. This compares with 40 households in 2009/10 and 65 households in 2010/11.

- 1.3.13 Nationally there has been a 30% increase in the number of households placed in temporary accommodation by local authorities in the first three quarters of this year compared with the same period in 2010/11.
(www.communities.gov.uk/publications/corporate/statistics/homelessnesssq32011)
- 1.3.14 During this financial year, temporary accommodation has been provided on average for 54 days per household, and is forecast to cost £275k in accommodation charges during 2011/12 before estimated housing benefit payments of £100k.

Options for action

- 1.3.15 A series of management actions have been implemented to improve the efficiency and effectiveness of the Housing Options service to mitigate the exceptional increase in homelessness experienced in Maidstone during this financial year.
- 1.3.16 However, further actions are likely to be required to mitigate the impact on the Council of rising homelessness levels and there are a number of potential options:
- Suspend the Choice Based Lettings scheme for allocating social housing;
 - Undertake a procurement exercise for temporary accommodation;
 - Procure Council-owned temporary accommodation;
 - Further analysis of the causes of homelessness to identify early interventions;
 - Promoting the housing advice service to encourage people to seek assistance before the point of crisis.

Suspension of the Choice Based Lettings scheme

- 1.3.17 Currently the council allocates its nominations to social housing through the Kent Homechoice choice-based lettings scheme (CBL).
- 1.3.18 CBL allows housing register applicants to 'bid' for properties of a suitable size for their household that are available for occupation. Each bidding cycle takes place every fortnight, and once bidding has closed for each cycle, the applicant with the highest priority of housing need (assessed through Council's Allocation Policy 'points' scheme) is offered a tenancy for the property.

- 1.3.19 CBL therefore moves away from the traditional assumptions that housing register applicants will all wait an average time before being offered social housing, and enables applicants who place shrewd bids (i.e. the less desirable properties) the opportunity to access social housing through exercising choice at an earlier point in time.
- 1.3.20 However, CBL does create frustration for housing register applicants, who fail to secure social housing despite high levels of housing need due to the popularity of particular properties they have placed bids on, and this is increasingly the case in Maidstone as demand for social housing continues to increase disproportionately to supply.
- 1.3.21 CBL also relies on a bidding cycle (currently fortnightly) and this builds in delays to the allocation of accommodation. Importantly this impacts negatively on those households living in temporary accommodation, as it has the potential to artificially increase their length of stay in temporary accommodation while the bidding process takes place.
- 1.3.22 Suspension of the CBL process has the potential to enable the Council to better respond to the immediate needs of homeless households and would remove the 'bidding lottery' through a return to a direct allocation model whereby social housing was closely matched to housing need. As a result the Council would be better placed to reduce the length of stay in temporary accommodation for many homeless households.
- 1.3.23 The Council could introduce a hybrid approach, whereby a certain number of direct allocations are made from void social housing stock for homeless households prior to the remaining voids being subject to the CBL process. IN either approach, agreement will need to be obtained from our housing association partners to the temporary suspension of the CBL scheme.

Procuring temporary accommodation

- 1.3.24 Currently temporary accommodation is procured when required and there is a single agreement in place with one provider to lease bed and breakfast and self-contained accommodation to the Council. When this accommodation is fully occupied, officers approach other providers to secure temporary accommodation, again both self-contained and bed and breakfast type accommodation.
- 1.3.25 Inevitably there is considerable variation in the type, cost, quality and location of the temporary accommodation used.

- 1.3.26 Demand across Kent for temporary accommodation is currently so high, that it is becoming increasingly difficult to find accommodation available on demand, and this is becoming unduly burdensome on officer time.
- 1.3.27 One potential solution to this issue is the procurement of temporary accommodation through a framework and/or leasing agreement with local providers.
- 1.3.28 The procurement approach has the potential to reduce costs while promoting the Council's role as probably the largest player in Maidstone's rental market, and hence attracting inward investment into this part of the housing market.
- 1.3.29 Any procurement process could also be the first step towards a Kent-wide temporary accommodation portal that would enable all local authorities across Kent to work together in sourcing and letting temporary accommodation as opposed to the current competitive environment that exists due to demands on individual council services.

Procuring Council-owned accommodation

- 1.3.30 Historically local authorities have operated hostels as a form of temporary accommodation to respond to local homelessness. However, as the demand for temporary accommodation reduced around 10 years ago, the majority of these hostels closed. Indeed in Maidstone, the then Council-owned hostel closed prior to the stock transfer in 2004.
- 1.3.31 Clearly the acquisition of a building and its conversion to provide temporary accommodation is resource intensive; however given the current housing market this has the potential to be a sound investment for the future.
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- 1.3.34 Since the Council transferred its housing stock we no longer have operational housing management within the organisation, and any temporary accommodation would need to be run in partnership

with either a housing association, or private housing provider in the temporary accommodation field.

- 1.3.35 The recent changes to the HRA framework support the Council undertaking such an exercise.

1.4 Alternative Action and why not Recommended

- 1.4.1 If no actions are taken the Council will be exposed to increased financial risk as demand for temporary accommodation increases.

1.5 Impact on Corporate Objectives

- 1.5.1 This supports the Council's priority for Maidstone to be a decent place to live.

1.6 Risk Management

- 1.6.1 If the Council fails in its duty to provide temporary accommodation for certain families there is the risk of challenge by way of judicial review. Homeless families are often well-educated in accessing legal advice either through Shelter or CAB, or through local solicitors.

- 1.6.2 Where families have incurred additional costs as a result of the Council's failure to provide suitable temporary accommodation the Local Government Ombudsman has the remit to award compensation if the uphold a complaint from the individual concerned.

- 1.6.3 The statutory guidance states that families with children should only be accommodation in bed and breakfast type accommodation in exceptional circumstances, and in any event for no longer than 6 weeks. Again the Council's failure to meet this suggested time limit may leave the Council vulnerable to challenge.

1.7 Other Implications

1.7.1

- 1. Financial
- 2. Staffing
- 3. Legal
- 4. Equality Impact Needs Assessment

X

5. Environmental/Sustainable Development
6. Community Safety
7. Human Rights Act
8. Procurement
9. Asset Management

1.7.2 Financial implications

1.7.3 The Council has budgeted for temporary accommodation expenditure of £127,200 for the year 2011/12 offset by a related housing benefit income of £61,670 resulting in a net cost of £65,530.

1.7.4 However as at the end of Q3 the net expenditure on temporary accommodation stood at £130,580 and this is forecast to increase to £175,000 by the end of the year.

1.7.5 Given the current economic and climate, it is unlikely that housing need will diminish in the short term without the Council taking fundamental steps designed to minimise expenditure in this area.

1.8 Relevant Documents

1.8.1 Appendices - None

1.8.2 Background Documents - None

IS THIS A KEY DECISION REPORT?

Yes

No

If yes, when did it first appear in the Forward Plan?

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This is a Key Decision because:

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Wards/Parishes affected:

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